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IN THE MATTER OF APPLICATIONS BY EACH OF

(a) CANADIAN ARCTIC GAS PIPELINE LIMITED FOR A
RIGHT-OF-WAY THAT MIGHT BE GRANTED ACROSS
CROWN LANDS WITHIN THE YUKON TERRITORY AND
THE NORTHWEST TERRITORIES, and
(b) FOOTHILLS PIPE LINES LTD. FOR A RIGHT-OF-WAY
THAT MIGHT BE GRANTED ACROSS CROWN LANDS
WITHIN THE NORTHWEST TERRITORIES

FOR THE PURPOSE OF A PROPOSED MACKENZIE VALLEY PIPELINE

and

IN THE MATTER OF THE SOCIAL, ENVIRONMENTAL AND
ECONOMIC IMPACT REGIONALLY OF THE CONSTRUCTION,
OPERATION AND SUBSEQUENT ABANDONMENT OF THE ABOVE
PROPOSED PIPELINE

(Before the Honourable Mr. Justice Berger, Commissioner)

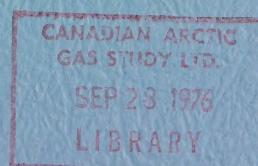
Yellowknife, N.W.T.

September 22, 1976.

PROCEEDINGS AT INQUIRY

Volume 189-A

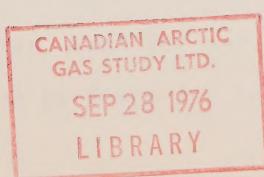
347
M835
Vol. 189-A



1 APPEARANCES:

2 Mr. Ian G. Scott, Q.C.,
3 Mr. Stephen T. Goudge,
4 Mr. Alick Ryder, and
5 Mr. Ian Roland, for Mackenzie Valley Pipeline
6 Inquiry;
7
8 Mr. Pierre Genest, Q.C.,
9 Mr. Jack Marshall,
10 Mr. Darryl Carter,
11 Mr. J.T. Steeves, and for Canadian Arctic Gas Pipe-
12 Mr. Gerry Ziskrout, line Limited;
13
14 Mr. Reginald Gibbs, Q.C.,
15 Mr. Alan Hollingworth,
16 Mr. John W. Lutes, and for Foothills Pipe Lines Ltd.;
17 Mr. Ian MacLachlan,
18 Mr. Russell Anthony,
19 Prof. Alastair Lucas and
20 Mr. Garth Evans, for Canadian Arctic Resources
21 Committee;
22
23 Mr. Glen W. Bell and
24 Mr. Gerry Sutton, for Northwest Territories
25 Indian Brotherhood, and
26 Metis Association of the
27 Northwest Territories;
28
29 Mr. John Bayly and
30 Miss Lesley Lane, for Inuit Tapirisat of Canada,
31 and The Committee for
32 Original Peoples Entitle-
33 ment;
34
35 Mr. Ron Veale and
36 Mr. Allen Lueck, for The Council for the Yukon
37 Indians;
38
39 Mr. Carson Templeton, for Environment Protection
40 Board;
41
42 Mr. David H. Searle, Q.C.
43 for Northwest Territories
44 Chamber of Commerce;
45
46 Mr. Murray Sigler and for The Association of Munici-
47 palities;
48
49 Mr. David Reesor, for Producer Companies (Imperial,
50 Shell & Gulf);
51
52 Mrs. Joanne MacQuarrie, for Mental Health Association
53 of the Northwest Territor-
54 ies.

347
M835
Vol.189A



PROCEEDINGS INDEX PERTINENT TO ADJOURNING Page

WITNESSES FOR C.O.P.E.: ROBERT WORL

Robert WORL	<u>MRS. ROSITA WORL</u>
Mrs. Rosita WORL	
Billy NEAKOK	<u>BILLY NEAKOK</u>
Jon BUCHHOLDT	
- In Chief (cont)	<u>JOHN BUCHHOLDT</u> , resumed 29466
- Cross-Examination by Mr. Sigler	29532
- Cross-Examination by Mr. Scott	29552

Q - Mr. Hart, I understand from Gelle Nable that you're the only witness in this panel that hasn't yet read his presentation into the record, and I wonder if you could turn to the first page of your evidence and read your evidence into the record of the Inquiry, please?

WITNESS MR. WORL, Pardon

me? I didn't hear.

Q - Could you read your evidence into the record of the Inquiry? Thank you.

EXHIBITS:

800 Evidence of Robert Worl 29532

800 - Presently in the forefront of the most spectrum for a variety of reasons ranging from the abject poverty of many of the rural areas, to the fantastic wealth soon to be generated by the oil and gas rich fields of Prudhoe Bay and the North Slope regions and the extension from the coast to the outer continental shelf and also the Canadian Arctic. Wealth and poverty and the presence of both, have heightened the focus on how Alaska handles both its natural and human resources. Commissions exist pertaining to almost every phase of Arctic and sub-Arctic planning: Land Use and Planning Committees, health planning at state and regional levels, Arts Councils,

Worl, Worl, Neakok, Buchholdt
In Chief

1 (PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT)

2 ROBERT WORL,3 MRS. ROSITA WORL,4 BILLY NEAKOK,5 JON BUCHHOLDT, resumed:

6 DIRECT EXAMINATION BY MR. BAYLY (CONTINUED):

7 Q Mr. Worl, I understand
8 from Gaile Noble that you're the only witness in
9 this panel that hasn't yet read his presentation into
10 the record, and I wonder if you could turn to the
11 first page of your evidence and read your evidence
12 into the record of the Inquiry, please?13 WITNESS MR. WORL: Pardon
14 me? I didn't hear.15 Q Could you read your
16 evidence into the record of the Inquiry? Thank you.17 A Alaska and its
18 people are presently in the forefront of the news
19 spectrum for a variety of reasons ranging from the
20 abject poverty of many of the rural areas, to the
21 fantastic wealth soon to be generated by the oil and
22 gas rich fields of Prudhoe Bay and the North Slope
23 regions and the extension from the coast to the outer
24 continental shelf and also the Canadian Arctic.
25 Wealth and poverty and the presence of both, have
26 heightened the focus on how Alaska handles both its
27 natural and human resources. Commissions exist per-
28 taining to almost every phase of Arctic and sub-Arctic
29 planning: Land Use and Planning Committees, health
30 planning at state and regional levels, Arts Councils,

Worl, Worl, Neakok, Buchholdt
In Chief

1 employment and civil rights groups and many, many
2 more. Many of these are born of local initiative and
3 interest, many more are inspired by either the state
4 or the Federal Government's interest in Alaska's
5 future and the role of the Arctic region in that
6 future.

7 With the passage of the 1971
8 Alaska Native Claims Settlement Act by the United
9 States Congress, 12 regional corporations now exist
10 which have the responsibility for the administration
11 of land and moneys distributed to Alaska's first
12 citizens. With land and money at their disposal
13 these regional corporations have become another form
14 of interest group with a great deal of power and a
15 public mandate for action that is often confusing
16 for everyone involved. Some of the local Boards,
17 committees and commissions have developed an opposition
18 to extra-regional or extra-community pressures.
19 Alaska Native Affairs have become truly confusing,
20 fast-paced and complex, blurring boundaries which
21 usually exist between the community, the ethnic
22 group, the corporations, and the outside.

23 It is important to note here
24 that the corporations have both profit arms,
25 which are in the forefront of Alaska's present and
26 future economic development, with each enrolled
27 member as a shareholder, and a non-profit arm which is
28 controlled by consumers representative of the same
29 constituency as the profit arm, but concerned with the
30 delivery of human services. Human services are those

Worl, Worl, Neakok, Buchholdt
In Chief

1 usually dispensed by one or more governmental agencies
2 in the areas of health, education, training for
3 employment, and social assistance services.

4 One region, the Arctic Slope
5 Regional Corporation, opted to keep its non-profit
6 arm inactive while supporting the formation of the North
7 Slope Borough, the largest home-rule municipality in
8 the world, for the purpose of delivering the above-
9 mentioned governmental services. This adoption of
10 a non-traditional form of government to service the
11 needs of the North Slope Inupiat was planned, deliber-
12 ate and carried out under the leadership of local
13 Inupiat leaders who saw an opportunity to gain needed
14 services, systems access and more importantly, a method
15 through which they could attack many of the problems
16 confronting the North Slope communities while maintain-
17 ing and/or developing maximum local control of the
18 methods and directions of important change.

19 This material will be covered
20 in more detail in the testimony presented to the
21 Commission by others representing the North Slope
22 Borough. I will try to concentrate on the areas of
23 health and social services and the methods for their
24 delivery; and detailing some of my thoughts and
25 impressions on that all-encompassing word "impact".

26 My own bias necessitates the
27 chronological-historical perspective to what is
28 happening in the North Slope of Alaska. The value and
29 importance of the chrono-historical perspective is that
30 it gives us a sound descriptive base from which we may

Worl, Worl, Neakok, Buchholdt
In Chief

extract data indicating the importance of change in certain spheres -- the spheres for the purpose of this presentation are:

1. Economy
2. Community
3. Family
4. Health and nutrition
5. Psychological environment at an individual level.

These spheres taken together comprise an entity called culture in its aboriginal transitional and contemporary forms. It is obvious that there are no clear-cut points of demarcation between the above components. That is, it is difficult to sort data into any one sphere to the exclusion of all or any of the others. For example, changing settlement patterns and the potential for change in household composition brought on influences such as a shift from hunting food, to trapping and bartering furs for cash and food, and have obvious consequences in the Arctic.

It must be explicitly stated here that the delineation of five spheres should not be interpreted as being limited or conclusive.-- limiting or conclusive, excuse me. Many other terms, systems, and definitions from the biological and social sciences could be set down and applied. These were merely terms of choice for purpose of exposition.

Alaska is presently the home of over 33,200 Inuit. For the purposes of this paper, "Inuit" is used to refer to the general Eskimo

Worl, Worl, Neakok, Buchholdt
In Chief

population of the Arctic. The term "Inupiat" will be used occasionally to refer to those Inuit living within the North Slope Borough or Arctic Slope Regional Corporation as a term of their choice. These people may be divided and sub-divided as to number of categories, cultural area, tribal designations, linguistic categories, town or village of residence. These methods are of particular value depending upon the focus of attention. A new method of descriptive categorization that has emerged since the passage of the Claims Settlement Act in 1971 is that of a corporate relationship with one of the 12 land-based regional corporations.

That means that somebody would identify himself as being from the See Alaska Corporation or the Arctic Slope Regional Corporation or any of the other corporations.

It is important that we recognize the various methods of delineating Inuit, both from an aboriginal sense and from the emerging contemporary identities, some assigned by the white population and some assumed by the Inuit themselves.

Yes?

THE COMMISSIONER: You said the Inuit might be assigned or might be connected to any one of the 12 corporations. I should have thought they would be connected to a more limited number in the northern and westerly parts of the state.

A Yes. It maybe a little confusing. Actually there are three or four Eskimo

Worl, Worl, Neakok, Buchholdt
In Chief

1 corporations that an Eskimo could belong to. What I
2 simply meant --

3 Q The North Slope being
4 one?

5 A Right. What I meant
6 simply was that categorization can occur by choice
7 or he can be assigned, you know, by some outside
8 --for instance the term "Eskimo", which we used to
9 refer to all circumpolar Eskimo people or Inuit people,
10 they themselves break themselves down, you know, on
11 the basis of whether or not they can understand a
12 similar language, a common language.

13 Q Yes.

14 A It is important that
15 we recognize the various methods of delineating the
16 Inuit, both from an aboriginal sense and from the em-
17 erging contemporary identities, some assigned by the
18 white population and some assumed by the Inuit them-
19 selves.

20 Aboriginally in Alaska there
21 were 21 distinguishable tribes designated by an
22 anthropologist named Wendell Oswalt. His choice of
23 the term "tribe" is recognized as being imprecise but
24 functionally applied designating a people who resided,
25 "in certain villages, hamlets, or camps who
26 were considered by outsiders and themselves as
27 being set off from other such units and having
28 a sense of in-group identity."

29 Oswalt further delineated groups on the basis of lan-
30 guage, subsistence patterns, and lifestyle, and

Worl, Worl, Neakok, Buchholdt
In Chief

1 integration of religious beliefs between regions,
2 as well as important social factors. His conclusion is
3 of great importance to the focus here:

4 "There is no Eskimo culture any more than
5 there is an Athabaskan or a Pueblo culture.

6 True enough, there is a cluster of traits
7 found among Eskimos, but it is not an iden-
8 tical cluster among diverse populations.

9 Among the Eskimo in Alaska, many characteristics
10 considered to be typically Eskimo are found
11 only intermittently."

12 I think that he was referring to such things as snow
13 houses as permanent winter dwellings, things like
14 this.

15 It is this emphasis on
16 diversity which is important. It is possible to
17 plan a program, do research, implement intervention
18 programs in one area based on the data gathered
19 totally from another. This is a question of importance
20 for all those institutions of western man that are
21 now so important to non-western peoples, Inuit being
22 one such non-western group. It is a question that
23 is easily ignored by many because of the complexity.
24 This leads to stereotyping and consequently to
25 negative reactions of diverse peoples when they are
26 in continuous contact with one another. Reading
27 through the early historical literature, one finds
28 that the native population was viewed as aberrant or
29 in most respects viewed as part of the resource field
to be exploited, like furs and fisheries. Too often

194

Worl, Worl, Neakok, Buchholdt
In Chief

1 the INuit and the Indians were the tools of exploita-
2 tion and also its object. The Russians were the first
3 outside exploiters of the Arctic beginning in the
4 1700s with the Aleut and the south-west Inuit of
5 Alaska. These groups were further co-opted through
6 their contacts with the early whaling fleet which
7 eventually pushed northward through the Bering Straits
8 to the Mackenzie River Delta in the quest for whale
9 oil and baleen.

10 These early contacts,
11 particularly in the south-west, were less than
12 harmonious. The greatest impact was the elimination
13 of large segments of the population through murder
14 and the introduction of disease, secondarily through
15 the liberation of aboriginal lands for the purpose
16 of exploitation of the fur resources. Whole villages
17 were impressed by the Russians and languished in
18 slavery assisting in the depletion of natural resources.
19 The later contacts further north with the Yankee whale-
20 men were a bit less severe, but the goal remained the
21 same -- exploit the resources upon which the native
22 population is dependent, using them as a key tool.
23 The pattern which was begun here, the peopling and
24 conquest of native-owned America by less than savory
25 elements of Europe, Asia and the east coast of the
26 United States is of great significance. For what we
27 know of culture contact situations and the role of
28 continuous contact in the shaping of new directions
29 for indigenous people make it imperative that we
30 recognize qualitatively the models of civilization

Worl, Worl, Neakok, Buchholdt
In Chief

from whom these native peoples acquired their earliest lessons in the behaviour of western man. The majority of these men were not bold courageous adventurers but were men perched on the fringes of their own society, often rapacious, ruthless and avaricious; outcasts among their countrymen, except insofar as they functioned as a source for furs, minerals, information and exploration of frontier areas.

Available data on the relations between the men of the whaling fleet and the Inuit are spare, but this same period (the late 1800s) began the era of detailed scientific description of indigenous peoples. Two categories therefore emerge:

1. We have the accounts of the whaling and entrepreneurship; and
2. Also the ethnographic description of the Inuit.

The literature of the first category treats lightly any data about the Inuit themselves, preferring to describe alien and repugnant lifestyles, customs and appearance. This information is useful in abstracting some semblance of the philosophical basis for the interaction of the two groups. Mention is also made of the Inuit as a hunter, guide and occasionally as a crewman for the whalers. Data from the second category focusses on the description of the Inuit as a compact, self-contained cultural group. Cut away from that description is all but fleeting glimpses of their contact with outsiders who were not other Inuit.

John Murdoch's description is

Worl, Worl, Neakok, Buchholdt
In Chief

such a work on the Point Barrow Inupiat. After
briefly recounting the contacts of the people with
outsiders beginning with an 1826 visit from the barge
of the H.M.S. "Blossom" under the command of F.W.
Beechey, followed by the ship "Plover" in 1837, and
these were followed by sporadic contacts of from a
few days to a number of weeks until the "Plover" wintered
over in 1852-53, and again wintered over in the
1853-54 season. During the season, and I quote from
Murdoch's work:

"The officers and crew, after some misunderstandings and skirmishes, established very friendly and sociable relations with the natives."

Also mentioned is the native account that:

"Although there was considerable intercourse between the sailors and Eskimo women, there /now/ are no people living at either village who we could be sure were born from such intercourse."

These were from John Murdoch's 1892 work called, "Ethnographic Description of the Eskimos at Point Barrow."

In 1854 seems to have been the turning point of contact in North Alaska- This was the year that the whaling fleet penetrated to Barrow and began the years of continuous contact and trade. Murdoch seemed to think that for the most part the Inupiat remained culturally remote from their white visitors and showed little inclination

Worl, Worl, Neakok, Buchholdt
In Chief

to change being essentially a conservative people. Murdoch countered the early assumptions of Ivan Petroff, who in 1884 did a census of Alaska, that the Barrow Inupiat regulated their movements according to the whaling fleet locations and proximity. He does mention the cessation of autumn whaling for themselves "possibly on account of the presence of the whaling fleet at that season."

Following are some excerpts from Murdoch's work that are illustrative of the contacts between the sailors and the Inupiat:

"The one unmitigated evil of their intercourse with the whites has been the introduction of spirits."

"Our two years of friendly relations with these people were greatly to their advantage."

"In all their intercourse with the whites, they have learned little English, chiefly a few oaths and exclamations like 'get out of here'."

"Gonorrhea appears common in both sexes, but syphilis seems to be unknown in spite of the promiscuous intercourse of the women with the whalers."

These are again from Murdoch's 1892 account, and are quoted to give a flavor to the kinds of written material that exist on early contact.

A more contemporary book covering the periods 1884 through 1940s was written by a Mr. Charles D. Brower. The book is entitled: "Fifty Years Below Zero."

Worl, Worl, Neakok, Buchholdt
In Chief

It's a popular book and still sold in his son's store in Barrow. It chronicles his life in the Barrow area as a whaling entrepreneur and documents nicely the effects of that industry upon the Inupiat. Documenting the spread and effects of the art of distilling liquor and the subsequent debauch of the villages up the coast from Point Hope, where a trader introduced it, Brower covers the many-faceted changes in Inupiat life; changes in whaling practices; employment by Brower and others for whaling purposes; the application of white man's law to the relationships between Inupiat and the outsiders; and the usurping of marriageable women (and sometimes married women) by the whalers who were wintering over; the unruliness of the whalers from the east coast; the rapid decline in Inupiat take of whales; the effects of religious introduction; disease effects on the population and much, much more.

To illustrate, in the early 1900s not so long ago a flu epidemic brought from a visiting ship was spread through the members of many communities during a messenger feast (where many people were gathered together from several villages near Barrow). As people began taking sick and some died, other villagers began to flee the area, taking the dread disease with them. While only three died from Barrow, the villagers from outlying communities died in great numbers. Over 200 bodies were found in the spring up the riverine travel routes. Again in 1902 measles was brought to Barrow by a passing

Worl, Worl, Neakok, Buchholdt
In Chief

ship and 126 people died in Barrow alone.

It is safe to say that along with intensive, frequently negative contact, the whaling era also brought the concept of wage labor and trade labor to its height. During this era the commercial whalers had depleted the whales so badly that in some years no whales were taken in North Alaskan communities that depended greatly on them for food.

The parallels between that period and our present situation are too glaring to be ignored. At a time when a major food source, caribou, is rapidly being lost to access, through either decimation or regulation, cash labor is becoming more readily available and items of questionable food value are making up larger and larger portions of the Inupiat diet.

I hope that this exposition has not dwelled too heavily on an area that has been covered in other testimony or affidavit, but it forms a backdrop from which current trends and health, mental health and social services must stand in relief.

It can be readily seen that the North Slope Inupiat, as well as other areas of Arctic Alaska have been under intensive outside pressure for a long period of time. Barrow is a community, has had pressure for over 120 years on a rather continuous basis. But what was the impact of this contact in the areas mentioned earlier?

1. The economy obviously shifted to also take

Worl, Worl, Neakok, Buchholdt
In Chief

1 advantage of the presence of the whalers, who after
2 all, had similar skills and interests in regard to
3 whaling as an act. There was also the definite need
4 of the whalers for assistance from the Inupiat. For
5 this assistance with food, clothing, and crew work,
6 the Inupiat were given some cash, tobacco, guns and
7 ammunition, and food luxuries not previously
8 available.

9 2. The community changed as a result of conglomerating
10 around an interesting resource -- the whaler and his
11 ship. Also the effects of disease, which was not only
12 brought in by the whalers, but only understood by them
13 and cured by them, presents us with a model for
14 future medical dealings in the Arctic with indigenous
15 people. The Inupiat, in the sphere of community began
16 to experience a local version of urbanization -- local
17 resources became hard-pressed to provide for the
18 needs of those residing in that area. This increased
19 the importance of outside resource in the life of
20 the Inupiat. The communities began to lose people
21 to the larger villages, largely due to the impact of
22 lessened trade from the coastal villages to the
23 inland villages. Those living inland were dependent
24 upon the coastal dwellers for sea mammal products
25 which supplemented their diet, and their raw materials
26 for clothing and other basic needs. As the economic
27 expansion on the coast occurred, the available resources
28 for trade to the interior, and in fact the impetus
29 to trade inland at all, disappeared. Since then,
30 Inupiat culture resource was tantamount to influence

Worl, Worl, Neakok, Buchholdt
In Chief

1 and some forms of control, the Yankee whalers became
2 an important locus of influence. This outside locus
3 was intensified as other potent forces followed the
4 lead of the whalers, notably missionaries and educa-
5 tors who had as their prime goal to change the life-
6 style and the economy of the Inupiat.

7 3. Family life changed rapidly too. Intermarriage
8 with a relatively permanent group of outsiders --
9 Yankee whalers who saw gain in staying on in the
10 Arctic -- changed much of the aboriginal picture re-
11 garding mutual aid, adherence to community norms,
12 in a variety of areas, language usage, and an orien-
13 tation toward outside benefits such as education,
14 medicine, employment, etc. A partial result was
15 a group of nearly bicultural and bilingual
16 entrepreneurs who watched closely over the well-being
17 of the community as it now became their own personal
18 and family well-being. It is safe to say that this
19 group became another effective model of change after
20 which many INuit families all over the Arctic modelled
21 much of their own activities.

22 4. Food supply was a major area of impact of the
23 new situation. After the whalers succeeded in deplet-
24 ing the bowhead whale population, diet shifts were
25 bound to occur. Since people were often dependent on
26 the work season for cash, credit or trade, it was to
27 material available through that system that they turned.
28 Primarily this meant a switch from a protein-based
29 diet to a starch and carbohydrate diet. Flour, some

Worl, Worl, Neakok, Buchholdt
In Chief

cereals, sugar, etc. took the place of local meat.

As noted in Mr. Brower's narrative, alcohol also became somewhat important in the deteriorating diet picture. It is well-documented that fats and protein are vital to the well-being of an individual in an extreme cold environment. Aside from its negative social value, alcohol is detrimental from the standpoint of a food substitute. If potential food sources are used to produce alcohol for drinking, this further depletes the nutrient available.

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Worl, Worl, Neakok, Buchholdt
In Chief

The introduction of a variety of diseases from outside the Arctic is also well known, not only venereal disease, but also flus, influenzas, viruses, all of which were greatly debilitating to a group that had lived in a relative isolation for so long.

The effects such illnesses may have been focused on a reduction of activity necessary for subsistence in North Alaska, since subsistence demanded great expenditure of energy and was necessary often over great time spans. This situation would have forced upon many dependence on either family or hunting partners or upon the exploitation of the bounties available through the white man. Such a joint dependence would have provided a partially disabled person to blend both the cash or a barter system with a less intensive subsistence system, thus forging a new Arctic lifestyle for himself and his family. Such a system would have only intensified diet shifts, especially given the growing scarcity of game, particularly bowhead whale and the caribou.

I believe that Doctor Otto Schaefer has presented a good deal of information on this area of the changing environment of the Inuit. Suffice to say the health of a people and their diet are related closely through both cause and effect.

5. Psychological environment is probably best summed up by the concept of locus of control, or how does one perceive his role in

Worl, Worl, Neakok, Buchholdt
In Chief

controlling his life and environment; or perhaps better stated, to what extent can a person deal with a given environment for the purpose of securing shelter, food and maintaining harmonious relationships with those significant people around him.

It is evident that in the Arctic very little is remained static and that a great deal of cultural interchange hastaken place. It is important to note that here that this interchange or acculturation has been multi-directional and not, as it is often supposed, unidirectional. While the Inuit were certainly changing and borrowing new materials and traits from their white contacts, the reverse was also very much so, and perhaps even more intensive during the early permanent residence of non-Inuits in the Arctic.

The Inuit have been changing through their adoption, either by force or choice, many technological innovations from outside. A few examples are firearms, cloth manufacturers, vehicles of transportation and less tangibles, such as religion, education and health care system. It becomes apparent to someone outside the area after a period of living or working in the Arctic that what has actually been adopted is the form of many such innovations and not the deeper seated function.

There is often a decided lack of similarity in the values attached to these non-aboriginal items and concepts between the Inuit and the non-Inuit. This disparity in value becomes

Merrill, Will, Neakok, Bucknold
In Chief

a source of conflict between the cultures. It is my feeling that this conflict is increased as the outward differences such as clothing styles and possibly language disappear. When this occurs, one must bear in mind the two most fundamental issues to arise in the Arctic, the basic reason for each groups being in that place.

Simply stated, a situation exists where a western white society is firmly locked into an intensive contact situation by history and by felt economic necessity. Ideologically the Inuit have owned and occupied large portions of that land mass we call the Arctic. It has been and remains their home, their livelihood, and indeed, their whole way of life. The white man, on the other hand, driven by a very different set of economic and social motivations, found an area rich in those things desired by their society (furs, oil and land). The whites, therefore, proceeded and continue a steady encroachment upon the land and life of the Inuit in an effort to secure for themselves that which they view as being unused or underutilized.

In all the years of intensive contact, one thing has yet to be significantly changed. What a person sees when he views the vast stretches of the Arctic. A white man sees barren ground, geological formations that hide oil, gas, coal. He sees the frozen polar ice that keeps him from exploiting mineral resources locked in the sea's bottom. Most importantly, he sees the land that he cannot relate to

Worl, Worl, Neakok, Buchholdt
In Chief

separate from those resources and he envisions roads, pipelines, and exploitative structures such as wells, derricks, and small cities that are technological marvels.

An Inupiat sees land with which he feels he is one, inseparable, and unbounded in its ability to fulfill his most heart-felt needs. He sees caribou, rivers and lakes rich with fish and an exhilaration that comes only from knowing that who you are depends upon what you see. The frozen sea ice doesn't hide riches but provides a haven for them, and a means by which he can harvest what he needs; seals, walrus, and whales, taken from the open leads and breathing holes.

It has been my experience that this holds true whether the individual is pounding nails at twenty degrees below zero, wearing a suit and discussing joint venture construction operations, presiding at a municipal assembly meeting, or packing his gear for a hunt.

While the outward manifestations of the Inupiat have changed markedly, his values are inextricably tied to his land base. In 1970, construction began on the Trans-Alaska Pipeline, billed as the largest private construction project of all time. The cost of such a project were billed as astronomical and have exceeded even that expectation. The early years of this project, designed to transport oil from the North Slope, have been labour intensive. The line itself passes from and

Worl, Worl, Neakok, Buchholdt
In Chief

through lands important to and owned by various aboriginal groups. Minority employment as well as various local hire provisions have been explored by the State of Alaska, the contractors, and various native groups concerned that the economic benefit of such an undertaking not be lost to local people and communities.

There is no question that cash has become very important in the Arctic; to white and Inuit alike. Cash buys food, housing, clothing, hunting equipment. Cash is vital to the maintenance of subsistence economy in the Arctic, a point to be touched or it has been touched upon in the statement of Rosita Worl. Cash employees carpenters, teachers, builds schools and churches. Cash is an integral part of an Arctic economy and it's here to stay.

The problem is that it is here on such large amounts. Viewed as any other life-sustaining resource, it is exploited while it is available.

Statistics tell us very little about the effect of this fact in the northern part of Alaska. There are no good baseline studies with which we can compare anything. Too often, when someone says we are being impacted, the response is: on what basis do you make that statement? The response must be most qualitative as the numbers are not easily found, even when they are available. This is important, so I'll restate it: Regarding quality of life and impact from current economic development, we have very little

Worl, Worl, Neakok, Buchholdt
In Chief

baseline data. Some of the critical areas in which I see problems are qualitatively stated below:

Regarding family life, it's important to note that a shift has occurred in regard to economic bonds. The family cannot, as a unit, attack a job as a carpenter, laborer, manager, or oil field worker. Yet these are the new sources of family support in a cash economy.

Since the family unit now models itself after a more western pattern in terms of style of housing and clothing, enjoying modern conveniences such as electricity, radio, and television, the cash economy is an obvious asset, and intensive exploitation of that asset is taking place. This creates a problem in family solidarity. The wage earner, usually father and older sons, must spend long time periods away from the home, wife and younger children.

The usual time period of the pipeline is nine weeks on and one week off when working on that project. When the wage earner comes home, he's tired. He hasn't the inclination and energy to mount a major hunting or fishing trip with the family. Therefore, some of the young kids are expressing a concern for not being able to learn those skills necessary for subsistence from those who are highly skilled and normally would be teaching those competencies.

These children are being alienated from their land and from their family through

this economic situation. Husbands and wives, due to this same situation, no longer have the same qualitative economic interdependence regarding family maintenance. Long periods of absence have increased the pressures on both partners for infidelity.

The very young are being provided a model of disruption and loss of solidarity for patterning their own families. In another area, housing changes have also occurred. Because of the influx of outsiders and returning villagers, housing is in critical short supply in the Alaskan Arctic, a situation that has arisen largely after the pipeline project began.

Overcrowding of family dwellings is rampant. The North Slope has the largest per housing unit population in Alaska, 5.3 members per unit. The housing itself is not new. It's old, small and dangerous from the standpoint of sanitation and safety. Wiring is poor and fires are not infrequent. Sanitation facilities such as flush toilets, running water, and safe drinking water are virtually unknown. Should a young couple want to marry and begin a family of their own, they cannot find housing and must remain with parents, often foregoing plans until housing can be secured.

Yesterday--a little digression, yesterday it was mentioned that Farmer's Home Administration and various other methods of capitalizing new housing structures and improvements to housing have come into the Arctic. That's basically true.

1 One of the big problems that
2 we've had though has been that people in a situation
3 where the economy fluctuates may borrow money from a
4 bank or from a special program, from a co-operative,
5 and then make improvements on their home or even build
6 a new home and then three or four or five years down
7 the road they find that they're unable to keep up the
8 payments, the payments being very regular and somewhat
9 substantial in nature and cash income not always
10 being as dependable.

11 In the two, three, four--in
12 the last five months, we've had as many houses that
13 belong to Inupiat people sold at auction for back
14 taxes and for back payments. Now, this would be not
15 so tragic if it was a case where families were stable,
16 economically viable and had other options in terms of
17 housing. But our general experience has been that
18 in each of these cases, the people have been just
19 totally displaced and the only result is that they
20 can impact on family members or close friends and
21 increase the number in their household and increase
22 the economic burden on those people.

23 The housing, on the other
24 hand, is generally gone to non-native people and is
25 now being used to house such people as university
26 professors, or a school teacher or someone of this
27 nature. Generally somebody who has come into the
28 community and is not necessarily a part thereof.

Worl, Worl, Neakok, Buchholdt
In Chief

These kinds of pressures lead to breakdown in communications between family members. There is no ready solution to these friction points and they are not openly discussed. Hostile feelings towards outsiders who have good housing such as teachers, business people and researchers at federal facilities may be stimulated and intensified as a result. More importantly anger and frustration erupt within the family unit. This further disintegrates the family bond and subsequently erodes the basis of the community in question.

12 The available cash, since
13 there is a surplus, and is not enough to change these
14 facts of the living conditions, may often be spent on
15 alcohol, or if the individual is younger, on drugs.
16 These commodities are not only debilitating individually,
17 but they devastate family life and interpersonal
18 relationships.

19 Another critical area
20 that is being impacted by the above circumstances is
21 language usage. The vast majority of those Inupiat
22 living on the North Slope speak their native language
23 as a first language. Due to permanent residence by
24 a fairly large segment of non-Inupiat speakers from
25 outside the area English is often spoken to some
26 extent by even most of the older people. Schools,
27 particularly those outside the area, have enhanced a
28 degree of deterioration of Inupiat language. Tech-
29 nological orientations demand either the development
30 of new Inupiat words or the adoption of English.

Worl, Worl, Neakok, Buchholdt
In Chief

The latter seems to be the present method of choice.

In working with a variety of mental health programs in Alaska that were attempting to deal with the problems of primarily Inuit patients language appeared as a startling problem. Not only between counsellor and client, but between parent and child, young people and their parents and grandparents, and uncles and aunts. That pattern that caused so much problem was this: parents' primary facility was in their native language, while the child seemed more facile in English. Even more shocking was the appearance of linguistic impoverishment among young people to the extent that they could communicate no significant intricate feelings even with their peers. The first words to be lost were words which expressed feelings and deep emotion. A large number of children were being brought up without the ability to communicate such important feelings as these to significant others in either language.

Most tragic in the emerging contemporary picture is the startling disruption to family and community by violence, death and suicide. It must be mentioned here that alcohol plays a significant role in these problems but that it is to be illustrated more appropriately in the statements of Ms. Grace Lincoln representing the Alaska Native Special Alcoholism Program -- whom you heard this morning.

Last year within the North Slope Borough there was not a single death not

Worl, Worl, Neakok, Buchholdt
In Chief

1 directly attributable to alcohol, or with a serious
2 alcohol involvement. Suicides have increased greatly
3 in the last four years from, I believe, two reported
4 in 1968 to eight known in the last year. This does
5 not include three suicides known to me which
6 actually occurred outside the borders of the North
7 Slope Borough while taking three more of our young
8 citizens.

9 Suicide attempts are
10 potentially even more devastating. In 1973, '74 and
11 '75 we have seen a huge increase in attempts. Below
12 are some figures abstracted from the Barrow Hospital
13 records which illustrate this tragic point: I'll
14 read these: Suicide attempts for the year '73 -- there
15 were seven attempts and six of those were alcohol
16 related. In '74 there were nine attempts -- seven
17 alcohol related and in 1975 there were twenty-three
18 attempts and eighteen alcohol related. That's a rather
19 significant increase.

20 These statistics reflect
21 only those cases seen at the Barrow Hospital which
22 required medical treatment and were serious enough to
23 warrant the additional notation of "suicide attempt" on
24 the medical record. This does not reflect the number
25 of gestures that could be deduced from the medical
26 charts and from records from the village health clinics.
27 These figures would swell the reported numbers to
28 immense proportions.

29 As an illustration, one
30 young woman age 20 years has over 20 serious attempts

Worl, Worl, Neakok, Buchholdt
In Chief

1 listed on her medical record. She may one day be
2 successful. These attempts are not frivolous but
3 serious. Earlier this spring she was pulled from the
4 ocean late at night by a passerby who saw her
5 repeatedly forcing her head under the nearby sea-ice.

6 There are also numerous
7 theoretically confusing cases involving self-
8 destructive behaviour which is never listed as an
9 attempt or even possible suicide when death occurs.

10 Perhaps most disturbing
11 here is that the suicides on the North Slope take the
12 lives of young, potentially productive individuals.
13 Quite often it is apparent that some intervention may
14 have been of assistance in preventing such losses, had
15 intervention services been available on the North
16 Slope.

17 Injuries and accidents
18 are also instructive in developing a picture of the
19 changes occurring on the North Slope. Following are
20 some alcohol related injury and accident statistics:
21 For the year, 1973 there were 1200 total admissions
22 for accidents and injuries, 280 of those were alcohol
23 related. For '74 there were 1,151 admissions with
24 286 alcohol related. In 1975, there were 1,497 with
25 433 of those alcohol related. Again these figures
26 represent only those cases where treatment was
27 provided at the Barrow Hospital.

28 In the area of purpose-
29 fully inflicted injury another pattern illustrative of
30 a breakdown in the communities is developing.

Worl, Worl, Neakok, Buchholdt
In Chief

Purposefully inflicted
injury on others. That means that somebody has done
violence to someone else on purpose. In the year
1973 there were 162 admissions. 123 of those
were alcohol related. In 1974 there were 144 -- 116
of which were alcohol related. In 1975 there were
231 purposefully inflicted injuries on another person --
180 of which were alcohol related.

These figures again are
mainly for Barrow where the hospital is located.
A glance at the preliminary data on the midpoint of
1976 showed that the rate may have nearly doubled
in this year that we are presently in.

In one small village
along the pipeline corridor containing about 150
people total, in one year during which they participated
in employment on the pipeline, there were nearly 200
purposefully inflicted injuries on another person
treated by the local health aide in that village. It
is illustrative to note that they have chosen not to
participate in pipeline jobs to any extent since
that time choosing instead to remain in the village
with their family and friends. Prior to this watershed
year, 1973-'74 there were only 15 such cases in
that village and they have now declined again since
that time down to less than 30 and I think that that's
fairly instructive of what they're talking about in
terms of family disruption and disruption of social
unity within a village and the impact of a group of
people going outside for significant periods of time

Worl, Worl, Neakok, Buchholdt
In Chief

1 to work on a cash-intensive project.

2 THE COMMISSIONER: Excuse me,
3 what is the name of the village?

A I don't think I would
really like to mention that village by name.

6 Q Well, can you tell me
7 whether it is north of the Yukon River or --

3 A It is north of the
4 Yukon River. It is within the North Slope Borough.

10 Q Okay. Just while we're
11 on that. In Mr. Hopson's statement yesterday, it
12 was said there were 4,000 Eskimo people in the North
13 Slope Borough -- the majority of those something like
14 2,500 live in Barrow?

15 A That's correct.

16 Q How many villages are
17 there on --

A There are eight.

19 Q And they would be
20 places with 4 or 500 people -- that sort of thing, eh?

21 A There are two villages
22 with approximately, just under 400 people -- Wainwright
23 and Point Hope. Barter Island has -- do you know how
many people Barter Island has, Billy?

WITNESS MRS. WORL: 119.

26 WITNESS MR. WORL: 119. Most
27 of our villages are relatively small. Barrow is
28 obviously the -- often called the largest Eskimo
29 community in the world.

Q The admissions to the

Worl, Worl, Neakok, Buchholdt
In Chief

1 Barrow Hospital, that is, cases arising in these
2 other villages would manifest themselves as admissions
3 to the Barrow Hospital though, would they? Or would
4 they go to some other hospital?

5 A No, they would not.

6 Q They would not?

7 A Unless an injury was
8 sustained that was serious enough to require hospital-
9 ization or some sort of extensive medical treatment.
10 The reason for that being that the costs of transport
11 are so high and communications are so bad that
12 very seldom if it's a minor injury will the person
13 seek medical attention at the Barrow Hospital.

14 Q Yes.

15 A We have a health aide
16 at each village that would be there primary
17 provider.

18 Q Oh sure.

19 A There are cases listed
20 in there that are from the other villages. A great
21 majority of those cases however that were noted are
22 from Barrow Proper or occur in Barrow.

23 Q The other villages
24 outside Barrow in the North Slope Borough -- would
25 those people needing hospitalization go to Barrow or
26 to Fairbanks or somewhere else?

27 A Okay, Barrow is served
28 by three Indian health service districts. We have
29 one village in each of two other units. Anaktuvuk
30 Pass, for instance, because of air transit, established

Worl, Worl, Neakok, Buchholdt
In Chief

1 air transport routes, if hospitalization is required,
2 would normally go to Fairbanks. In our extreme
3 western part of our Borough, Point Hope would
4 probably go to Kotzebue and the people there do go
5 to Kotzebue for hospitalization generally because it's
6 again much closer and there is an established air
7 route.

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Worl, Worl, Neakok, Buchholdt
In Chief

1 Q Mrs. Worl wanted to
2 add something, I think.

3 A I might mention
4 something else in this regard, and that is we have
5 currently been working on an emergency medical evaca-
6 tion system that would link the people at Barter
7 Island with the Village of Koktovic to the Inuvik
8 Hospital in cases where there is severe trauma, and
9 so again we're trying to get people to the nearest
10 and best medical attention that we can get them to.

11 Q O.K.

12 A And this necessitates
13 the utilization of hospitals outside the borough.

14 Q The figures that you
15 used in showing the increase in admissions owing to
16 acts of violence would be admissions primarily of
17 Eskimo people?

18 A Yes, almost entirely.

19 Q Well, what is the white
20 population of Barrow, the non-Eskimo population?

21 A About 2,000 -- oh,
22 excuse me.

23 WITNESS MRS. WORL: 500.

24 WITNESS MR. WORL: About
25 500 people in Barrow are non-natives. Oh, the day
26 before we left some information that just before
27 we were getting on the plane Rosita was checking with
28 our Planning Department and we have some new population
29 figures for this year which were not available to
Mr. Hopson when he was preparing his testimony. As of

Worl, Worl, Neakok, Buchholdt
In Chief

1 January 1, 1976, there were 9,050 people, and since
2 that time we have increased to 13,050 people.

3 Q In the North Slope
4 Borough?

5 A Within the North
6 Slope Borough. We have been repeatedly told that
7 there are going to be no oil exploration people or
8 population increase at the Naval Arctic Research
9 Lab, which is about 2½ miles out of Barrow, but since
10 that time, 100 new people have showed up. There
11 are also in the area of the pipeline corridor, 3,300
12 additional people in that area now. Some of this
13 is related to the exploration of petroleum reserve
14 No. 4, and some of it to intensive work within the
15 pipeline corridor.

16 Q Is Barrow located
17 within the petroleum reserve No. 4?

18 A Yes, it's completely
19 surrounded by pet 4.

20 Q And that village for
21 which you gave us statistics, you did say that was
22 within the North Slope?

23 A It's within the North
24 Slope Borough, and it's a village that was recruited
25 rather heavily during the time period mentioned to
26 recruit males primarily to work in various pipeline
27 camps, and it's a village which has a very, very low
28 income in terms of cash income. It's a heavy sub-
29 sistence-based -- their economic base is very heavily
30 moved towards subsistence. Since this time, I think

Worl, Worl, Neakok, Buchholdt
In Chief

1 it's also important to note that the North Slope
2 Borough has within its capital improvements program
3 has established some construction projects within some
4 of the villages. Some for housing and some for
5 developing schools and whatnot, and so there has
6 been a little bit more cash labor available within
7 that village, and that has helped those who were
8 dependent on cash or who have need of cash or desire
9 it, to obtain it a little closer to home, although
10 in not/quite the quantities that was available working
11 on the pipeline project.

12 THE COMMISSIONER: Right.

13 Sorry to interrupt. Carry on, sir.

14 A Obviously this is
15 circumstantial evidence but there were no other
16 visible compounding factors other than pipeline work.
17 Some members of the community still occasionally do
18 seek pipeline work, but they seldom stay more than
19 one time period, one nine-week period, and these are
20 usually single men.

21 Following are some comments
22 and observations of my own regarding substance use,
23 which is another current topic of conversation. The
24 only thing left out of this that appears to have been
25 important is that the source of drugs other than
26 alcohol is usually a non-Inupiat young entrepreneur
27 who is working within the community. These comments
28 are most illustrative of Barrow, since it is the
29 centre of population and the largest community outside
30 of Prudhoe Bay, and the largest Inupiat community in

Worl, Worl, Neakok, Buchholdt
In Chief

Alaska. In the smaller villages, many of the same circumstances hold true. We have in the past year had breakins at four different times in three village clinics, during which valium and codine were stolen, along with a number of other substances capable of producing a high. This is just a brief summary that I did for Grace Lincoln's organization on substance use a little over a year ago.

Marijuana.

Infrequently marijuana is used alone. Under these conditions the result is as would be expected, a relaxing casual atmosphere congenial to small talk, joking and laughter. Hostility seldom is evident. Use is heavy when a large supply is available. Pooling often occurs and most all that is available is smoked. The object seems to be getting stoned and not just high. Since supplies are frequently limited, smoking is more often a prelude to finding another source of either maintaining the high or for persuing a stoned condition. The usual drug of second choice is alcohol. Smoking seems to be most prevalent for young adults, tapering rapidly towards both youth and older adults.

Alcohol.

Alcohol use is quite high, particularly in Barrow. Drinking often takes place over an extended time period with intoxication occurring rapidly for some and more slowly for others. The end result of much of this drinking is violence, physical and verbal, and hostility often occurs early

Worl, Worl, Neakok, Buchholdt
In Chief

in the course of a drinking party and maybe either specific and directive, such as an argument over a boy or girl friend, fending over supposed wrongs, whether or not a person belongs in a community, whether or not someone is working while others are unemployed, these kinds of things, or maybe a very diffuse region such as "I just don't like you."

In native and non-native mixed company the focus of hostility usually is the non-native participant. The individual honkie, as non-natives are often called, may not be acquainted with the antagonist, or they may be friends when they are sober. Often the friction is caused by a wide spectrum of mutual jealousies and felt wrongs. Often honkies are quick to point out all the advantages of being Eskimo; "free medical services, rich land-owners, easier to get jobs" and many others. Of course the perceptions are often reversed and honkies are seen as having a pretty easy as far as jobs, money, and the girl situation and general treatment by the establishment community. Resentment over the increasing non-Inupiat population often surfaces during drinking parties.

Other drugs.

Acid, which is L.S.D. and speed, are a variety of forms of methadrene, benzadrene, stimulants, are the most prevalent other drugs. A variety of both can be obtained by the persistant person. Use of these separate from either alcohol or marijuana is much less easily noticed. I have heard

Worl, Worl, Neakok, Buchholdt
In Chief

1 of some hard drug usage, but have not actually seen
2 any with the exception of some cocaine. This seems
3 to be more prevalent among Inupiat in Fairbanks or
4 Anchorage than at Barrow.

5 Multiple Use.

6 The most common form of
7 multiple use is marijuana and alcohol in conjunction
8 with each other. Whether alcohol is ingested prior
9 to, after, or along with marijuana seems of less
10 significance than the outcome. Generally, the assumption
11 is that "grass makes you mellow" and it is often
12 talked about as suppressing a lot of the ill effects
13 of alcohol, particularly hostility and violence. This
14 does not seem to be the case. The end result too
15 often seems to be a lessened effort at personal con-
16 trol and the volatile nature of some individuals is
17 freed of constraint, anger becomes less directed, more
18 generalized, and occurs over a longer time span
19 than before the crash, or when the person passes out
20 or goes to sleep.

21 It is important to bear in
22 mind that these notes by no means characterize all
23 drinking behaviour, all marijuana smoking, or com-
24 bined use and do not represent the actions of the Inu-
25 piat. They do represent my personal analysis at this
26 point in time of the effects of substance use
27 where destructive events occur.

28 I would be remiss if I did
29 not state that many young adults do handle alcohol
30 and marijuana with little, if any, disruption of

Worl, Worl, Neakok, Buchholdt
In Chief

1 their daily life. Often a party may be disrupted
2 by one or two individuals and this will be used by
3 outsiders as evidence of much higher incidence of
4 disruptive behaviour than actually occurs.

5 This may be partly aggre-
6 vated by the outsider not understanding the strong sense
7 of non-interference operative within a cultural
8 framework. An individual who is under verbal attack
9 will not be rescued, but is left to fend for himself.
10 If he is an outsider this non-interference may be
11 more pronounced unless he is a special guest of an
12 influential group member. Much of the intercultural
13 violence, verbal and physical, may be avoided by
14 leaving the field at an earlier time if hostility is
15 evident.

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Worl, Worl, Neakok, Buchholdt
In Chief

All of the above information points to a need for human services, medical and social. Presently we have a health delivery system that consists of a fourteen bed general hospital in Barrow, which services the eight villages within the eighty-eight thousand square miles of the North Slope Borough.

It is an Indian Health Service Hospital which provides care primarily to the Inupiat population. By law, in a rural area with no other system of health care or private sector available, Indian Health Service also provides medical care at a small fee to non-beneficiaries or generally white people.

Besides the blatantly social medical problems mentioned above, Indian Health Service deals with several endemic problems unique in their incidence and prevalence among Alaska natives; otitis media, upper respiratory infections, eye problems, impetigo and dental problems.

Last year the Barrow Hospital saw over 23,000 out-patients. Average bed utilization is about 3.5 per day and remains low because most cases needing surgery, special mediation, or long-term care beyond a few days, and intensive staff attention are transferred out as the staff cannot deal with such problems given such heavy out-patient demands. The number of non-beneficiaries has risen to the point of overtaxing the services of the Indian Health Service Hospital and staff.

Non-beneficiary visits last year were over four thousand. In the area of dental services, the same situation holds except that where there are 3 M. D. 's and 8 nurses attending to the medical case load, we only have one dentist and presently no chairside assistant at all for the same patient population. Dental statistics indicate that one dentist could work fourteen years to catch up with the backlog of services needed. New non-beneficiaries are frequent visitors to the Indian Health Service facility. At the midpoint of the year, there were over four hundred new medical and dental records in the non-beneficiary category while there were only thirty native patients added to the roles.

I might add that these thirty native patients whose records were added, were usually by birth. This does not mean that there were an additional four hundred non-natives in the area at one time, but more importantly indicates the population as being transient with a rapid turnover within the Barrow community.

This increased pressure on the health care facility and staff is not now accompanied by any significant increase in funds or staff to see that the services needed are provided. In this circumstance, a twenty-five percent increase in non-beneficiary use necessitates an assumption of a similar drop in services to the Inupiat or beneficiary population.

Worl, Worl, Neakok, Buchholdt
In Chief

1 this system with a public health nurse itinerant for
2 the entire North Slope Borough. The North Slope
3 Borough formed a health arm little more than two
4 years ago. Since that time, the Borough has contracted
5 with the Indian Health Service to provide trained
6 health aid services in each of the outlying villages.

In the early stages of this program, rapid turnover was a problem but this was partially alleviated by contracting this program to a local, native controlled entity, the Borough, so that additional funds beyond those of Indian Health Service could be used to supplement the salaries, training and equipment the aides had to work with.

Wool, Wool, Neakok, Buchholdt
In Chief

non-profit arm of the regional corporation. This is an important step in the return to native control not only of the land but also the service and programs which impact upon their lives. This has not only created new jobs in our area. It has stimulated interest in the communities in the direction and philosophy of such programs. It is not uncommon to find that a service is being poorly utilized due to a lack of understanding.

Understanding is difficult to stimulate in the abstract but occurs more readily when the people are actually participating in setting goals and direction.

In the Borough, we have been designated by the Regional Corporation to handle governmental and social services and to ensure that these remain in the control of and responsive to the people. This is done through an entirely Inupiat Borough Assembly and Administration at the Borough, and through the development of local health advisory boards in each village, plus a Regional Advisory Board representing each village.

The system is far from perfect. There's a great deal to be done in preparing for total local control. Not in the sense of the people not knowing what services they want, but in the sense of learning how to deal with the confident, well educated program specialist at the Federal or State program level. The mechanics of contracting and where to look for additional funds and help need to

Worl, Worl, Neakok, Buchholdt
In Chief

be bolstered.

A cadre of individuals must be eventually educationally prepared to take over not only management but delivery of health and social services. Then, and only then, will the programs and dollars be responding to the local needs of Inupiat or any other indigenous people. This is a principle which guides any western community to demand its full measure of services and human rights. It is only fair that these same rights be extended to communities and peoples in the Arctic.

Social services are provided by a myriad of agencies from within the State and Federal framework. The Bureau of Indian Affairs operates programs aimed specifically at native communities. Areas of programs are social services, education, training, employment assistance, economic development and land management. Most of these services are unavailable without either travelling outside the area or a good knowledge of how to make these programs come to you. In other words, access is difficult.

The same situation holds for State programs which are basically in the same areas, as well as a full range of government support systems and agencies. Again, access is difficult due to problems of jurisdiction between State and Federal programs. This is intensified when the population served is predominantly native, as is the case in the North Slope Borough. The North Slope Borough was formed as an effective method of dealing with that

Wet I, Wowl Neakok, Buckholdt
In Chief

problem. Again, the solution is one of locus of control. Inupiat are learning about services which they are guaranteed access by the State and Federal Constitutions and are now developing the mechanisms through which these services will be delivered.

There are now inequities and I am sure that they will remain to some extent. The difference is that the people have local access to government and they are becoming the provider of their own services.

As a provider, they have more control. Control will develop responsive programs. Responsiveness cannot be developed or maintained outside such a geographic and cultural isolate as the Arctic.

The effectiveness can be seen in the welling up of new community voluntary associations who have as their goal the development of services to specific groups. In Barrow alone, we now have two community groups with program operations funds: The Barrow Child Advocacy Corporation and the Barrow Council of Alcoholism. These groups have defined areas of concern and are seeking solutions based on their concern and their knowledge of their own community.

Another key area that is presently being addressed is manpower. With a swelling of the job market, there has been a manpower drain to the pipeline corridor. This is slowly being reversed but it takes time. There is more cash in

Worl, Worl, Neakok, Buchholdt
In Chief

construction and oil field work than in community
service and government. Even support staff such as
clerical and volunteers are difficult to acquire and
maintain due to the higher wages of the pipeline
project.

There are many more jobs
available requiring sophistication when dealing with
the outside at the State level and beyond than there
are people from the Inupiat community to fill them.
Development of this sophistication requires time.
In the interim, a number of white professionals,
such as myself, find employment and challenge in the
Arctic. Many outsiders are idealists committed to
helping in the struggle for development of the human
resources, as well as the natural resources. Others
are professionals who are very competent and are
interested in primarily the money to be made and
working at remote sites.

1 Another type of professional
2 is interested mainly in being important and looked
3 upon as a superman capable of tremendous administrative
4 feats. Each in his or her way can be very useful.
5 Again, the important factor is that the Inuit know
6 how to identify what is going on and control the
7 direction. It is possible for a professional to move
8 ahead so fast in developing programs and services
9 that the feeling of control disappears for the community
10 member. In fact, the control in reality has disapp-
11 eared and the employee controls the organization.
12 The people must be wary of a flooding effect of
13 problem solvers. Most professionals coming into the
14 Arctic will have no understanding of the culture and
15 lifestyle of the Inuit except through some casual
16 reading or a focused piece of research done over a
17 relatively short time. These people will understand
18 the impinging system but not the community. In
19 their haste to solve problems between the communities
20 and the government, or company, they may create
21 conflict within the community itself. When this
22 occurs indigenous people, including leaders, may
23 isolate themselves from the problem area as to deal
24 with the internal conflict involves great risk to
25 their status, their self-respect and their relation-
26 ships with the community at large because the issue
27 is external.

When this occurs, another
danger arises. A shift of leadership from a person
whose roots are deep in the community and whose

Worl, Worl, Neakok, Buchholdt
In Chief

1 understanding of the community are so important to
2 someone who is not ultimately accountable except
3 possibly for the loss of their short-term job.
4 Leadership in the early phases of such a situation
5 must be a partnership of sorts, one person understanding
6 the community and one understanding the imposing
7 system. A sharing and teaching of one another must
8 take place at these levels. Paternalism will not do
9 because a knowledgeable constituency will not long
10 tolerate it.

11 A loss of control at the
12 administration and institutional level by the indigenous
13 leadership will result in health and social
14 service programs, indeed government itself responding
15 again to areas defined beyond the community by service
16 institutions without regard to the felt needs
17 and without regard to the talents of the local leadership
18 and constituency.

19 It is my opinion that health
20 and mental health cannot be effected from outside
21 the community except at a maintenance level. Any real
22 gains will accrue by returning control to the people
23 most affected; control of programs, funds, government
24 and land. Only then will indigenous people feel comfortable
25 in developing partnerships with state, Territorial or Federal Governments. Thank you.

27 THE COMMISSIONER: Thank you,
28 Mr. Worl. Just before these lawyers ask you any
29 questions, let me see if I understand you.

30 Q In your evidence you

Worl, Worl, Neakok, Buchholdt
In Chief

1 first of all discussed the interaction of white and
2 Eskimo people in Alaska over a period of 200 years,
3 and then you told us what had happened since the con-
4 struction of the pipeline began and as I understand
5 you said that it had made some changes in family
6 stability owing to the absence of men, I'll call
7 them heads of families for purposes of this discussion,
8 for nine weeks on the pipeline. You said that the
9 increased population on the North Slope had resulted
10 in the overcrowding of an already crowded housing
11 situation with certain social effects. You said there
12 had been a loss of the capacity to express themselves
13 in their native language by children; but the thing
14 that you seemed to think was most important -- and
15 you feel free to comment when I'm finished because
16 I don't want to misunderstand you -- you seem to think
17 that it was the presence of cash in the hands of
18 native people and the expenditure of that cash on
19 alcohol and drugs that was perhaps the most important
20 element in producing the statistics that you gave us
21 about the very dramatic increases in suicides, acts
22 of violence, and admissions to hospital related to
23 alcohol.

24 Now, have I done rough
25 justice to the case that you are making out in your
26 evidence?

27 A I would say so, with
28 the possible exception of the fact that the numbers
29 and the kinds of statistics that we're able to give
30 you indicate disruption. I think that the use of

Worl, Worl, Neakok, Buchholdt
In Chief

heavy use, dangerous use of alcohol or any other chemical are symptoms, they're indicators of disruption. It's cyclical.

Q Yes.

A They encourage more disruption. I don't think that's the cash itself.

Q The presence of alcohol and the use of alcohol in large quantities indicates that something's wrong.

A Right. It indicates that there is something there to be dealt with by the community.

Q Yes sir?

WITNESS BUCHHOLDT: I'd like to add also that cash has resulted in probably an unhealthy intake of sugar and if I had to choose between grass, booze and coca cola, I would say that coca cola is the greater negative reaction to the cash economy, coca cola being a symbol for all kinds of intakes of sugar which is the epidemiality of this health problem has not even been addressed yet but I think probably further research down the road will find out that sugar is the biggest enemy.

Q By the way, sir, it has been addressed to this Inquiry just a week or two ago by Dr. Schaefer, Dr. Cass.

WITNESS MR. WORL: I had planned to say more about that particular problem and our experience with it, as Jon has mentioned, but I knew that Dr. Schaefer was going before me and I had

Worl, Worl, Neakok, Buchholdt
In Chief

1 a pretty good idea from reading a lot of his material
2 what he was going to say. I just might add that
3 earlier we did a little calculation and assuming that
4 everybody has an equal consumption of coke, coca cola,
5 in Barrow, that there is an average of seven cans of
6 coke per day consumed in Barrow alone for every person
7 in that village, man, woman, child, and baby. It's
8 50¢ a can.

9 WITNESS BUCHHOLDT: Yes.

10 WITNESS MR. WORL: I think
11 that this bears in an area that is heavily -- as I
12 mentioned in my paper, that the demand for protein
13 is much greater, the need for it is much greater than
14 the need for carbohydrates in a cold environment.
15 The food that actually turns out to be available in
16 a cash economy are the kinds of things that are
17 popular. That's what stores sell. They sell those
18 things that turn over quickly and those are crackers,
19 cookies, candy bars, you know, the whole
20 of carbohydrate-oriented foods and in terms of
21 debilitation I think that -- or food value, I think
22 that coke and booze, I think Jon's right in his
23 analysis, there's more food value in drinking beer
24 than there is in drinking coca cola. But the problem
25 is that the amount of money that's available cannot
26 be spent to buy the things that are necessary because
27 those things are not available. There is no protein
28 available to be purchased for cash unless you have
29 a tremendous amount of cash. A 10-ounce steak, a
30 10-ounce piece of beef costs, a 10-ounce piece of beef

Worl, Worl, Neakok, Buchholdt
In Chieft

would cost you about \$5 and some-odd cents in Barrow.
In any of the other villages it would probably be
non-existent, the beef, because there is no storage,
the stores are small, they can't afford to pay things
like that, to purchase proteins. We presently have,
as was mentioned earlier, a caribou crisis. The
State Department of Fish & Game has closed the entire
North Slope area to the taking of caribou. Now people
have not yet begun putting in their stores of meat.
What we're faced with is whether we want to or not,
unless the state does something about either flying
in beef for people to hunt, or opening up the caribou
season and finding out that they were wrong about
the numbers of animals, we're looking at another
impetus for an extreme diet shift.

Worl, Worl, Neakok, Buchholdt
In Chief

Q Now, when you speak of the caribou, somebody yesterday on this panel, said that one of the effects of pipeline construction was that the caribou were migrating no longer through Anaktuvuk Pass but presumably through the Dietrich Pass where the pipeline right-of-way proceeds. There was some reference to that yesterday and I've got it right, have I?

A Yes.

Q Now, when you speak of closing off -- refusing to allow the people to hunt caribou, you are speaking of the herd that you describe as the Western Arctic herd.

A The Western Arctic herd.

I might add in that respect that it's been two years in a row that there's been virtually no caribou going through Anaktuvuk Pass. The year before it was rather light. Presently, this year, I just had a conference with some of the Anaktuvuk hunters down in Fairbanks before coming here -- they're starting to experience a rather heavy flow of caribou through the pass but the state Fish and Game which regulates hunting has declared an emergency and has closed the area to hunting. So they're presently watching the caribou go by but they're not able to take them legally.

WITNESS BUCHHOLDT: It's interesting that what we're facing -- if there is a decline and if there is a justification for closing the hunting on caribou then we have a protein crisis. Protein crises have been caused before in the State

Worl, Worl, Neakok, Buchholdt
In Chief

of Alaska and some publicity has been given around the world to the declining fishery in the Bristol Bay area. Now, it's interesting that whenever the predominantly native fishing community of Bristol Bay have a bad year, they usually get the governor to declare an emergency. Not because of the protein shortage but because the people depend upon the catch for cash and unable to catch fish, they don't have the cash to get them through. That causes the governor to declare an emergency and he gives extra help, money usually.

However, in a situation where you do not sell your catch for cash but you need it to use to eat, you know, and it's difficult to really imagine, coming from an urban situation, the great dependence people have upon caribou and other meat to survive. But whenever that's cut off -- in this case, artificially by refusing to let people hunt it -- we have asked the governor to declare an emergency for that reason but you see emergencies don't exist unless the flow of cash is stopped. So our request to the governor to declare an emergency to deal with this protein crisis has fallen upon deaf ears. So there seems to be a connection between the sense of crisis and the white administrators between whether or not there's cash involved.

WITNESS MR. WORL: I might also add to that the response from a federal agency who has taken some responsibility -- the Bureau of Indian Affairs has been to fly the Anaktuvuk Pass hunters, a few hunters at a time over 200 miles to

Worl, Worl, Neakok, Buchholdt
In Chief

hunt in an area where the porcupine herd goes through. The net result of this has been at a thousand dollars a trip, six trips one way, eighteen hunters carried, eighteen caribou brought back so that, you know, while they're willing to spend great amounts of money to try and solve some of our problems, the solutions somehow are not really up to the problem.

Again I mentioned beef earlier. Beef is not always a very suitable substitute for caribou or for you know other native foods. Now, we have been having a continuing problem with older people who can't eat beef. It's too fatty or too greasy. It is not a meat of choice. I'm sure that Dr. Schaefer probably touched on the difference in terms of fat content between caribou or any wild game and beef.

Q And the difference in protein content.

A Right and the content of protein. Now, it's also instructed -- within the North Slope, Eskimos are usually characterized as being very dependent on sea mammals and it has been mentioned that there was a very successful whaling season. But the whale and the caribou and the other mammals, they supplement each other. They're -- you know, neither one is really going to do the job to the exclusion of any of the others. I might add also that in one village where I was recently discussing this problem of what are we going to eat, one thing that was very noticeable was the shift of pressure from

Worl, Worl, Neakok, Buchholdt
In Chief

1 one game animal to another one. And the shift was to
2 an animal that can bear much less pressure than
3 caribou and that was moose. While moose are bigger,
4 again they are not hunted very often by Eskimo people
5 in this particular village because they prefer
6 caribou and they wait for the caribou.

7 To give you some idea
8 and I think that we all know that moose are in the
9 much smaller -- are much smaller in terms of their
10 population and also their range than are the caribou.
11 While last year, one moose was taken from the village
12 and the year before, I think two. So far, this year,
13 there had been ten taken and there were eight parties
14 still out, some of whom we had heard reports had moose.
15 There's a real question as to, you know, what kind of
16 a situation we're forcing the ecology of this area
17 into by, you know, these kinds of regulations. There's
18 also been some question of the count that this state
19 did of the caribou herd as being inaccurate and done
20 at a time when they are so widely dispersed that it
21 would be impossible to get a good count but also it
22 appears as if the new regulations are going to favour
23 greatly a sport hunter and not somebody who is hunting
24 for food. The season that they're proposing will open
25 up during the time when the bulls are in the height of
26 their rut and the native people consider them essentially
27 inedible and so do most white people. But 50% of the
28 take will be bulls or the 50% of the allowable take
29 will be bulls and the bulls will be available at a
30 time when they are considered inedible. I think that,

Worl, Worl, Neakok, Buchholdt
In Chief

1 you know, these kinds of things need to be considered.
2 They are the kinds of shifts that may not be done
3 consciously but may be done with the best intentions
4 involved but without any real local involvement, these
5 are the kinds of things that get forgotten.

6 Q Okay, let me -- see you
7 have sought to establish a connection between the
8 impingement of oil and gas activity and pipeline
9 construction on the native people of the North Slope
10 and you brought these figures forward and we have
11 heard similar evidence. It concerns me because I
12 of course have to report to the Government of Canada
13 on what will happen here if we build a pipeline.

14 Now, you're building
15 yours so what you're concerned about now is ameliorative
16 measures -- what can we do about it? That's why I'm
17 questioning you so closely about this because if the
18 connection you make is a sound one, then the next
19 question is well, if we have to build our pipeline --
20 let's suppose that the government says well, we've got
21 to build it, we need the gas -- what about the
22 measures you are taking there now? Now, as I under-
23 stood your evidence, you were suggesting that because
24 the North Slope Borough is essentially run by native
25 people it is equipped to provide health services and
26 social services to native people involved in this
27 situation more effectively than the health services
28 and social services the government has provided in
29 the past. Is that what you were saying?

Worl, Worl, Neakok, Buchholdt
In Chief

A That, in essence, is what I'm saying. What we have done is -- the North Slope has sort of grabbed the bull by its horns and said development is going to occur in the area and there is going to be you know, a vast change in our need for these kinds of outside services, but the institutions remain unresponsive. So by developing a system of government locally that ensured maximum participation that had as its goal and as its roots local community involvement, local community control, that these kinds of changes would be able to occur in a more of a partnership atmosphere and that's the goal.

Let me say that the North Slope Borough has been more effective in terms of its ability to be an advocate for its own people rather than an outsider screaming at, you know, at its own system, you know, to run over there to help out. I think that this is a very, very important change in terms of identifying number one, what kinds of problems do you want to work on. For instance, we don't have a great big mental health center although I have documented a number of mental health needs. A lot of health and social health things in smaller communities and in rural communities and particularly in native communities are handled with a great deal of aplomb by local custom or by you know, within the family units or within the extended family unit, within the community itself without a great deal of documented intervention from an outside agency.

What happens too often

is that all of a sudden another agency will come in and usurp the community's right to deal with its own problems. What we have done is developed a system where we can kind of turn that around and develop a system in partnership with whatever systems are there at present. This covers not only health and social health areas but a great deal of other areas of concern to the communities -- economic development for instance, housing, a whole wide range of things. Also the ability and the mechanism whereby they can communicate with the State Government, the Federal Government and private companies and quasi-private companies that may come into an area .

Worl, Worl, Neakok, Buchholdt
In Chief

THE COMMISSIONER: Let me

ask you this; does the kind of services you're providing in the North Slope Borough, has there been any moderating of the increase in these admissions to hospital, for instance? It's attributable to the kind of service that the North Slope Borough provides?

A Very definitely.

Particularly in terms of probably the most costly kind of care which is care at the village level, a care that's away from an urban center or a center that has some of the amenities of, you know, a hospital, an M. D., a dentist and we've been effective in terms of being able to; number one, stabilize the health aids in a village. We provide them not only with a cash income so it's enough so that they will remain interested in a position--I shouldn't say interested because they are interested. I should say that the cash income is now enough so that they can stay in a position in which they're interested; something that has not been possible before and I think it's also important to add in there that as the economy goes out of scale in terms of--in other words, the costs of services, the cost of materials, the cost of equipment goes up and the income of a community stays down, then their ability to effectively deal with any of their local problems has deteriorated drastically.

In those areas, we have developed a system that has effectively stopped very expensive flow of patients in terms of transportation

Worl, Worl, Neakok, Buchholdt
In Chief

1 costs from villages to Barrow and Fairbanks and also
2 to Kotzebue area from within the North Slope
3 Borough.

4 Our health aids are remaining
5 on their jobs longer. They are getting better
6 trained. They are getting more training and they're
7 having the opportunity to work within their community
8 for longer periods of time with a professional who
9 can do the training that will even increase their
10 skills further.

11 Q Well, you're moderating
12 the cost picture but what about the incidents?

13 Q The incidence of an
14 actual person presenting himself at the door of the
15 Barrow Hospital, yes, there has been a slight decline
16 from the villages. Now, within Barrow, it's much
17 harder to get a handle on that. It would take a
18 rather extensive kind of thing of going chart by
19 chart and finding out number of visits. Those are
20 the kind of things that are costly and very hard to
21 work when you're dealing with a Federal system and
22 when you're dealing with a lack of manpower.

23 We also are experiencing
24 a tremendous increase of outside populations, so the
25 total number of visits are going up and up and up.
26 We also have much more local job--there's much more
27 local employment and the employment is in the areas
28 of, you know, the construction industry and these
29 kinds of things also have related with them a certain
30 number of a certain increase in, for instance, accidents

Worl, Worl, Neakok, Buchholdt
In Chief

and injuries as was noted within the paper that I presented.

WITNESS BUCHHOLDT: Another factor is that with cash, people are able to go elsewhere for better medical care whereas before the Barrow Hospital was the only place you could go. Now, for instance, Mayor Hopson, not receiving adequate treatment of a strange illness, was able to go to Seattle, was able to go to Anchorage on his own hook, you know, to seek better medical care. A lot of people are able to do that. So, the full picture can't be measured with visitations to the Barrow Hospital.

On the other hand, the ability to leave the community increases the risk. People expose themselves to health problems. So, that hasn't been fully detailed yet except that added cash now provides you a fuller range of health care options.

Q Can I ask you a question about the North Slope Borough before I forget. Now, you have Borough Government in Alaska which is a form of regional government, I take it.

A Something like a county.

Q Or a county government.

A Like a county, yes.

Q All right. So, Barrow

has its own village council presumably?

A Yes. Barrow is a first class city under the Municipal Code.

Q Whatever. So, that--now

Worl, Worl, Neakok, Buchholdt
In Chief

you said in your paper, Mr. Worl, that the North Slope Borough was a native controlled entity. Now, its eligibility to vote isn't ethnically defined, I take it?

WITNESS MR. WORL: No, it's not.

Q It's simply that native people are far the majority, so that people that got elected such as Mayor Hopson are native people.

A Yes, that's correct. Something that also is, I think, important is that for certain positions there have been and are a number of non-native candidates but we have a fairly high quality of public servants, so to speak, or people expressing interest in these positions from within the native community and they tend to garner, you know, a majority of votes from the non-native as well as the native population.

There is one thing that I think needs to be explained and I hesitate to try and explain it. Maybe Mr. Buchholdt or Mr. Neakok could explain a little bit more about the voting role of the pipeline population which obviously, in looking at the statistics of our population, are the majority of our constituents.

Q Yes, it must be. So, maybe one of you gentlemen could explain that.

WITNESS BUCHHOLDT: Well, people who work on the pipeline and the people who are going to work on your pipeline are not going to come

Worl, Worl, Neakok, Buchholdt
In Chief

from Canada with the exception of a--you may have developed a few--a cadre of pipeline workers in Calgary and Alberta but I doubt it. I think probably what you're going to find on the pipeline, with the exception of local labour with unskilled jobs, you're going to find the pipeliners and the pipeliners are southerners with their families.

They come from places like Utah and small, like Touilla(?)Utah, for instance. You can go up and down the Alaska Pipeline as you will on your pipeline when they build it and you'll find that certain towns in the South dominate up and down the pipeline and the jobs are held by people with families. When one man in the family leaves, he sends his son or brother-in-law and it's this close kinship system that dominates the unions, that dominates certain- like, for instance, classically pipeline welding which will be the most important trade that you're going to be dealing with.

These people vote at home. They're not part of the community. They are kind of a gypsy travelling around the world, building pipelines in the ever increasingly energy scarce world. They don't vote and even if they were told to vote and they'd go out and vote against the person the union told them to vote for. So, I don't think you have to worry about any people coming up and trying to take over your community. As a matter of fact, there is no polling place in the North Slope Borough. I mean, on the pipeline.

Worl, Worl, Neakok, Buchholdt
In Chief

There is no--there are no citizens there. The oil companies would have it that way. There's a chance. For instance, it's possible under the Municipal Code for Deadhorse to organize a city. If it did organize as a city, you would get half of the tax base of the North Slope Borough again under the rules of the Municipal Code of the State of Alaska.

And while we worry about that and we're talking about going a step further and becoming a unified municipality as, for instance, did the community of Anchorage, which would foreclose on the possibility of Deadhorse organizing municipally; the danger of that isn't very great because of the people who typically work on pipelines is a very ^{/it's} itinerant group and if they have any roots at home, then that's where they go, back in the southern States.

Q Are there any other boroughs in Alaska that native people, whether Aleut, Eskimo or Indian control in the way that the Eskimo people control the North Slope Borough?

WITNESS MR. WORL: Not to my knowledge. To the best of my knowledge, the North Slope Borough was a great experiment in rural control and we're being looked at very closely and we get calls almost daily, not only at the administrative level, but you know the departments from others who are asking how we're doing, what we're doing and what benefit is accruing to the population.

The other corporations, for

Worl, Worl, Neakok, Buchholdt
In Chief

1 instance, are having a great deal of difficulty dealing
2 with governmental services and governmental res-
3 ponsibilities from the standpoint of a non-profit
4 corporation which--or a profit corporation which has
5 very limited ability to draw on outside resources and
6 so--

Worl, Worl, Neakok, Buchholdt
In Chief

Q So that the North Slope Corporation and the people who belong to it are co-extensive with the borough,

A That's right. The Regional Corporation, the non-profit arm of that corporation, a regional I.R.A. or Indian Reorganization Act government, and the North Slope Borough have contiguous boundaries for the most part, and a mutual constituency with the exception of the borough being responsible for all citizens within its boundaries.

Q Yes.

WITNESS BUCHHOLDT: You know, that's an interesting question you just asked because you see, until the North Slope Borough was organized, municipal organization in rural Alaska was seen as a means by which white preachers, traders and teachers controlled the community. For instance, Kotzebue, which is an Eskimo community about the size of Barrow, had a Chamber of Commerce which on the eve of the enactment of the Alaska Native Land Claims Act, I think about a week before that legislation was passed, the Chamber of Commerce of Kotzebue, which controlled the Kotzebue Municipality, passed a resolution against the enactment of the Alaska Native Land Claims Act. So municipal organization was seen as kind of a honkie piece of business that you didn't have too much to do with, if you had an ounce of self-respect; except in the North Slope Borough. The North Slope Borough was always separated from the whites by this great mountain range, and so

Worl, Worl, Neakok, Buchholdt
In Chief

1 local government was always controlled by the
2 people and didn't come into disrepute, and so that
3 probably explains why it was embraced with less
4 suspicion and of course, up there in the North Slope
5 Borough, they have a tax base, which was another
6 reason you don't organize because the question arises,
7 "How do you pay for local government?"

8 I think Mayor Hopson pointed
9 out that maybe the North Slope Borough is going to
10 be the last large region for borough organization
11 simply because of the opposition of regional
12 corporations which now see local government as opposed
13 to their own economic interests which they identify
14 with those of their oil company partners.

15 Q Let me ask you this.
16 The North Slope Regional Corporation, Mr. Hopson's
17 statement said that he was the vice-president.

18 A He is a vice-president.
19 Second-vice -- first vice-president. Mr. Hopson is
20 probably the loyal opposition on that Board.

21 Q Oh, so that the Govern-
22 the
23 ment of the North Slope/people that are governing
24 the North Slope Borough are not necessarily the same
25 people who are the Board of Directors of the
corporation?

26 A There's an inter-
27 mixture there. There are three members on the
28 Borough Assembly who are also officers and full-time
29 executives of the Regional Corporation, and one of
30 these is the mayor's brother, for instance. It's a

Worl, Worl, Neakok, Buchholdt
In Chief
Cross-Exam by Sigler

very tight-knit organization. But there's very little co-operation. As a matter of fact, the Regional Corporation and the borough represents kind of a political moiety in the village where one doesn't have much to do with the other, and they sort of meet at arm's length at the Borough Assembly meetings and so it's an interesting piece of business.

THE COMMISSIONER: Well, I have asked all the questions. I can't imagine counsel have any, but --

MR. SCOTT: We'll try. Mr. Sigler?

MR. SIGLER: I have a few questions, sir, somewhere along the same lines as the questions you've just asked. They might be eliminated as I go along. I'll try them as I have them written down.

(EVIDENCE OF ROBERT WORL MARKED EXHIBIT 800)
CROSS-EXAMINATION BY MR. SIGLER:

Q First of all, before the borough itself was organized under the Municipal Code, were there like the City of Barrow, was it organized itself as a municipality?

WITNESS NEAKOK: Yes, it was, sir, even before statehood.

Q Well, what happened then under the Municipal Code there when the region or the county sort of setup was made? There was a transition, I take it, where some of those purely local functions that would have been handled by the

Worl, Worl, Neakok, Buchholdt
Cross-Exam by Sigler

1 city before, were they transferred into the borough?

2 WITNESS BUCHHOLDT: Under
3 the Municipal Code when a borough is organized and
4 there's more than one, or there's other municipal
5 organizations in it, the municipal organizations
6 retain their territory but they lose three functions.
7 There are three classes of boroughs. The North Slope
8 borough is the ultimate class, the first class
9 borough. But even if you organize a third-class
10 borough, then you -- the mandatory powers are
11 education. The second-class borough, the mandatory
12 powers are education, taxation and planning. If any
13 of these functions are held by a first-class city or
14 a second-class city, within the jurisdiction, they
15 lose these powers to the regional or the borough.

16 In our case, the North
17 Slope Borough took over Barrow's planning and
18 taxation powers. At the same time, interestingly
19 enough, the North Slope Borough was organized, the
20 City of Barrow became a first-class city. It was
21 kind of a political competition going on, and ideally
22 the North Slope Borough will ultimately execute all
23 of its powers through the villages that already
24 existed. In other words, the borough will have its
25 own Municipal Code and will administer its functions
through the existing municipalities.

26 Do you understand what
27 I'm saying?

28 Q Yes. Is there a
29 Borough Council?

Worl, Worl, Neakok, Buchholdt
Cross-Exam by Sigler

A It's that large.

Q It's that large, it's not a ward system, and when the borough itself was organized, I take it there is an existing code that was used to do the organization that had been in existence.

A Yes, and Mayor Hopson was one of the people who helped to write that when he was on the State Senate. It's very easy to do. You just follow the rules and it's watched over by the Alaska Local Boundary Commission.

Q I wonder if you'd be able to forward to this Inquiry a copy of that Municipal Code?

A Sure.

Q Now, you mentioned that practically there's been no problem with the pipeline workers coming in and trying to take control either of the municipality or of the borough; but I wonder if you could give more details on the other end of it? What are the residency requirements for voting in say the borough elections?

A They used to be like the ones described here for the Northwest Territories, but as a result of several suits, I think now that the universal resident's requirement in the State of Alaska is 30 days. Any pipeline worker who wanted to claim as his residence one of the communities --a community in the North Slope Borough, could vote. Conceivably could go up and enroll all the pipeline

Worl, Worl, Neakok, Buchholdt
Cross-Exam by Sigler

workers as voters and they could, if they wanted to perjure themselves, claim one of the Alaskan communities in the North Slope Borough as their residence, although Deadhorse is not a city and cannot be used as a residence, and they could vote after 30 days. But of course the logistics of that would be so impossible.

THE COMMISSIONER: What was it, though, before the Courts intervened?

A I think it was --

WITNESS MRS. WORL: 75 days.

WITNESS BUCHHOLDT: -- 75 days.

MR. SIGLER: Q But even with say the pressure that the borough got to levy taxes on the oil companies that the mayor has pointed out in his evidence, the conflict was there, even with that type of pressure being brought by the borough there was no political effort made by any of the newcomers to the community to take over the community?

A There's an overriding interest on the part of the oil industry not to have a city that they have to worry about up to Prudhoe Bay. However, you know, that raises an interesting question because there's two kinds of citizens now up in the North Slope Borough. There's people and there's corporations. The corporations aren't citizens, they're not people, although lately in Alaska people are beginning to treat corporations as if they were people. The corporations themselves are the ones

Worl, Worl, Neakck, Buchholdt
Cross-Exam by Sigler

that pay the taxes, interestingly enough, isn't it? The people who pay the taxes are corporations, not people; whereas the usual situation you'd have difficulty raising taxes because the people would have to pay the taxes. In the North Slope Borough you can raise taxes because the corporations pay taxes, so our only recourse is to go to Court. Right now, for instance, we are in Court because the corporations started fighting with the state about the borough's authority to raise taxes to pay debt service, and as we felt our complete capital improvement program was in shambles, we had to negotiate a special bond sale, it will be the last bond sale we will be able to sell until this issue is resolved. The truce between -- the mayor mentioned in his paper -- between the North Slope Borough and the oil company is off. The war is on again and we expect that this will characterize community relations with the corporations in Canada. You have to understand now borough corporations have no conscience, and apparently there's nobody in charge of these corporations. Corporations hire good men, every man here who works for an oil corporation is a good man; but unfortunately he doesn't run the corporation and so therefore it's difficult to deal with them, and we're constantly at war with them.

Q But the battle that's gone on in the Courts hasn't gone into the political form of any of the new people trying to take over?

A Yes, yes, the North Slope

Worl, Worl, Neakok, Buchholdt
Cross-Exam by Sigler

pays about \$75,000 a year to maintain a core of lobbyists in Juneau to defend our interests, to fend off the interests and to defend ourselves against the tax avoidance schemes of the oil industry in Juneau.

6 WITNESS MR. WORL: While

7 they're not trying to take over the Municipal Govern-
8 ment within the North Slope Borough, there's always
9 a continuing question about who's funding whose
10 campaign when it comes to a year -- statewide office
11 or a local election. Now particularly in the controll-
12 ing municipalities such as Anchorage and Fairbanks,
13 which are the two largest communities, and also I
14 think that it's a fair statement to say that the
15 North Slope Borough is not the only borough in Alaska
16 having these problems with the oil corporations.
17 I think that if you talk to people from Fairbanks
18 you'll find that they're having very much the same
19 kinds of trouble, although I think it might be
20 qualitatively different because of the level of
21 services that they already have, the ability that they
22 have to capitalize on them, on that system.

Worl, Worl, Neakok, Buchholdt
Cross-Exam by Sigler

1 WITNESS BUCHHOLDT: We have
2 written to some congressmen in Washington and
3 are hoping to get some hearing held in Alaska to
4 discuss what we consider to be undue influences of
5 the oil companies and their propensity to intervene
6 in an unseemly, uncitizenlike manner in the local
7 affairs in the State of Alaska.

8 We feel that where
9 public land and let's face it, we're talking about
10 public land here in the Northwest Territories, it's
11 the people's land. If there's any oil there, it's the
12 people's oil and we feel that the oil companies should
13 be held to a standard of behaviour far different
14 than for instance they could be held to in Texas where
15 the land is private land. Therefore, we believe that
16 the political rights of oil corporations differ
17 substantially where you're dealing with the exploita-
18 tion of public land. They don't have the right to
19 use the media as they're using it in Alaska to
20 convince the citizens of Alaska that they're behaving
21 properly when in fact they're not. And other means
22 of political self-expression it seems to me is
23 improper on the part of oil companies by virtue of
24 public franchise to develop public lands. This is the
25 doctrine that is not yet been developed yet but we're
26 going to push it and the promotion of this doctrine
27 will be initiated by the North Slope Borough not by
28 the State of Alaska or any other government agency.

29 One of the advantages of having your own
30 government is you can plough new ground where it's necessary.

Worl, Worl, Neakok, Buchholdt
Cross-Exam by Sigler

Q The next question I had and I'm almost afraid to ask it. In the paper, especially of Mayor Hopson's, there's quite a hint at party affiliation as far as the politics of the borough in that. Are party politics present in borough elections or in municipal elections there?

A No.

THE COMMISSIONER: Mayor Hopson is identified as a prominent democrat, I gather.

A Yes, a very prominent democrat. As a matter of fact, he's sort of in the middle. He's a symbol of unity between the left and the right in the democratic party.

MR. SIGLER: Q But not in the borough elections?

A Not in the borough elections. As a matter of fact, constitutionally municipal elections are non-partisan.

Q But they are held for the community-at-large without wards?

A Right at-large elections.

Q Now, another question I had was in the Mayor's paper, he has outlined the history of the borough being formed and also briefly commented on the history of the land claims settlement in Alaska. They happened fairly close together in time. Is that just a coincidence?

WITNESS MRS. WORL: I think I would like to answer that. When the North Slope

Worl, Worl, Neakok, Buchholdt
Cross-Exam by Sigler

1 people were thinking of ways that they could protect
2 their land, they began to review the history of land
3 claims settlement and they threw out the judicial
4 route because with the court of claims they couldn't
5 obtain any land. They would just only get money.

6 So they decided to go
7 the legislative route and in addition to that because
8 Mayor Hopson had been involved with municipal
9 government planning, he knew that the Borough Government
10 was one of the ways that they might be able to get
11 additional control over their land. So it
12 was a simultaneous avenue for settling their land
13 claims. I mean they figured they could ^{get} ten percent
14 of all state selected land within the borough
15 boundaries in addition to the planning and zoning
16 powers. At the time, they were considering very
17 strongly the subsistence use of the land.

18 Q The local political
19 control was seen as an element of the land -- the total
20 land claims strategy?

21 A Yes.

22 WITNESS BUCHHOLDT: It really
23 isn't true that -- the early minutes of the Arctic
24 Slope Native Associations indicate that they had a
25 two or three point program. One of these was
26 organized local government and the other was to settle
27 the land claims. As far as the North Slope Borough
28 was concerned or the people of the Arctic Slope the
29 land claims movement incorporates local government. It
30 has in Canada and it is in Greenland.

Worl, Worl, Neakok, Buchholdt
Cross-Exam by Sigler

1 WITNESS NEAKOK: Maybe I can
2 explain further. We did three things when we found
3 that these things were happening. One was to start
4 the actual land claims as a native organization and
5 then at the same time filing for a borough government.
6 Then the other one was to go into the Court systems of
7 the United States for a third party trespass.

8 Now, the land claims has
9 sort of come around and we feel now that it is
10 not a basis for the start of land claims.
11 The borough government right now as it is, you know,
12 it's just still in its growing pains and the Court
13 right now was known as Edwardson versus Morton and
14 now it's known as language field and others versus
15 the United States Government.

16 Q So it's going on in
17 all these arenas?

18 WITNESS BUCHHOLDT: You are
19 referring to the trespass. You see, according to
20 our legal doctrine, the oil companies operating on
21 Inupiat lands in the Canadian Arctic are trespassing.
22 Now, if the Canadian Courts hold as the American
23 Courts have held, that means oil companies are going
24 to have to pay the Inupiat substantial damages for
25 trespassing on all lands to which the Inupiat of
26 Canada have claim until it is finally extinguished
27 through some kind of a settlement and this is being
28 appealed, this decision -- Edwardson versus Morton --
29 is being appealed now before the United States
30 Supreme Court.

Worl, Worl, Neakok, Buchholdt
Cross-Exam by Sigler

Q Right. Now, I just

want to get back to the line of questioning I was going to pursue about the -- and really it was along the lines of the appropriateness of the municipal model that was used in Alaska for that degree of local control. We have heard evidence about the settlement in James Bay in the Quebec area of Canada where the corporate model basically has been used with the municipal model only for as far as school boards being involved. The difficulty is here that the corporate model, people might have an understanding of the corporate model as a basis for local control politically. What I'm interested in is perhaps, maybe for Mrs. Worl, personal resume included work in trying to organize native people to vote in the southern part of the United States anyway. First of all, how did the native people in the area adopt to the municipal model? Were they able to understand the procedures for voting and to fully exercise their powers or was it a hard model for them to comprehend?

WITNESS MRS. WORL: As a matter of fact, when I did my research of Alaska native voting patterns, I found out that rural communities the people were most likely to vote and participate in the government greater than urban populations. So I would say that there was a strong sense of local government or local tribal government traditional governments, a lot of participation.

I found that native people in rural Alaska tended to vote at 80 and 90%

Worl, Worl, Neakok, Buchholdt
Cross-Exam by Sigler

1 as opposed to maybe 20% of eligible voters in the
2 city.

3 WITNESS NEAKOK: It was kind
4 of hard at first. Normally, we had a culture that
5 was completely different than what was on the books.
6 meaning the laws that were available to us, we
7 didn't know about these. Normally, at first, the
8 people sort of followed. We never scrapped until
9 after the land claims, until after we got the North
10 Slope Borough along its way.

11 Q Well, things like
12 voting instructions and procedures, did they have to
13 be translated into the native languages or did the
14 people understand English well enough to be able to
15 comprehend say the voting procedures and the organiza-
16 tional procedures in English?

17 A They were drawn up
18 in Inupiat even to this day like propositions going
19 before the voters and stuff like that for bond
20 elections and whatnot. They are very hard to explain
21 but they are explained and like my own father, he
22 doesn't -- he speaks a little bit of English but he
23 cannot read so there's still a lot of people in that
24 status all across the state.

25 Q So it did take an effort
26 to get the people to comprehend a different system
27 than they're used to traditionally?

28 A Right. Some of these were
29 hard to explain at first. They're easier to explain these
30 days. People seem to know more about their rights

Worl, Worl, Neakok, Buchholdt
Cross-Exam by Sigler

1 under the United States laws these days.

2 WITNESS MRS. WORL: I could
3 relate some of the problems that are experienced in
4 some of the villages where they were trying to increase
5 voter participation. They got a ballot they would make
6 the people count one, two, three down and in this
7 third box, you marked the "X" but the people who
8 were teaching them, who were other natives didn't
9 know about the changing scheme so when they went to
10 the ballot, they found out that every third voter
11 that came in, they changed the form. It was an
12 experience. I think, unlike some other places in
13 the lower 48, the natives did try to become citizens.
14 I mean, remember that we were under strong pressures
15 from educational systems to think of ourselves
16 as good citizens and the Tlingits themselves decided
17 that they were going to be English-speaking people
18 so that they -- I mean they figured that that's the
19 way that they would be able to control their own
20 system so they made the effort to learn English and
21 to learn about the dominant system.

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Worl, Worl, Neakok, Buchholdt
Cross-Exam by Sigler

WITNESS NEAKOK: The majority
of them are very patriotic.

Q O.K., you also have
in place the corporate model that in the case of
the borough is quite extensive with the boundaries
of the borough, and you commented on it to some
extent with the judge's questions. But how did the
people adapt to understanding the corporate model?
I mean in terms of the people in the borough, do they
identify with both models, or what's the relationship
between the two? The mayor in his evidence has hinted
at some conflict between the two in the sense of
his mentioning problems or splits that are coming up
now in the corporate model, in the Regional Corpora-
tion. I haven't heard any evidence of that going on
in the borough.

A I think one of the
biggest reasons for that is that most of the money
that's going to be given to the other regional
corporations are going to come out of our area and
in terms of royalties, and where all our oil is from
our area we're pressured by all regional corporations
so to speak to be very nice and try to work with the
oil companies to give away land. We're pressured
by all of them, but at the same time a lot of people
are realizing that we do have a set of laws that
we have to work with.

Q What I'm getting at
is -- and perhaps I'm missing something -- but what's
the need of having both the corporation and the

Worl, Worl, Neakok, Buchholdt
Cross-Exam by Sigler

borough. Why have both models been set up? Is it necessary?

WITNESS BUCHHOLDT: Well, the corporation was imposed by the law, by the Alaska Native Claims Act to manage both the money and the land. It's a business land corporation, kind of like the Kern County Land Corporation of Southern California, or the King Ranch of Texas, and so they got title to lots of land plus they got cash for the land for which their title was extinguished, so that's a business corporation.

Q Why was it set up, though?

A It was set up to manage the land and the money.

Q Was it asked for by the native people?

A It was agreed to by those who negotiated it. It wasn't asked for. It's kind of a foreign kind of institution, but there are those who rue the day that they were organized because they were susceptible to a lot of manipulation by non-natives, but they weren't organized to govern regionally; they weren't organized to replace local government.

Q Do you need both?

A I don't need both.

Do you need both?

WITNESS MRS. WORL: I think if you go back and look at the records of the early land

Worl, Worl, Neakok, Buchholdt
Cross-Exam by Sigler

claims, what the native people are asking for was control of their own land. Under a trust relationship with the Bureau of Indian Affairs, the bureau had remained as the trustee for Indian land, and in the lower 48 when you look at reservations and you begin to look at who is holding the land, who actually has use of the land, you find out that like in the Pine Ridge Reservation almost all of the land is leased to non-natives and so the native people merely wanted to avoid this problem. They wanted to have control over their own land and their own resources, and so they set out to obtain fee simple title. But in my personal opinion, I don't think that they understood the full ramifications of being a profit-making corporation. They started off as a tribal group of people wanting control over their own land. Congress was very adamant in not wanting to establish and create newly defined tribal bodies, and so we had the people, the native people on one hand wanting their own control, control of their land, and we had Congress saying, "Well, we don't want to have these new bodies, so let's have profit-making corporations."

So by law, corporations are profit-making en tities. The villages are --

Q But not like oil companies.

A Beg your pardon?

Q But not like oil companies

A Well, in 1991 we will

be. At this point we can't alienate land, but after

Wori, Wori, Neakok, Buchholdt
Cross-Exam by Sigler

1 1991 we can, and I could tell you that the greater
2 majority of Alaska natives are fearful of alienation
3 of land. That was one of the compromises that we had
4 to accept, and we are still hopeful that we will be
5 able to get an amendment through Congress. We have
6 a corporation now. It's not a tribal entity in our
7 mind, because it does not provide for equal member-
8 ship of all of our native people. Those people who
9 were born after 1971 are not equal members. They are
10 shareholders, although they may inherit shares. There
11 is the chance, I mean there is a foregone conclusion
12 that they are not going to be equal members. Other
13 people are going to be inheriting shares, or after
14 1991 able to buy those shares.

15 WITNESS BUCHHOLDT: I think
16 the thrust of your question -- I know what the thrust
17 of your question is, but I know you're right. The
18 corporate organization has caused a lot of mischief.
19 As a matter of fact, one of the leaders in negotiation
20 is Willy Hensley, of Kotzebue, who led his regional
21 corporation to go to Congress, and in the recent
22 land claims legislation which was passed, they
23 provided for consolidation in the case of Amana, they
4 eliminated all the village corporations and now they
have a single Amana Corporation and that's an option
and all the villages chose to use that option except
the Kotzebue Village Corporation, and so in the Amana
region of 12 villages, about the same sized population
as the Arctic Slope Regional Corporation region with
land with proven value as A.S.R.C.s, they have just

Worl, Worl, Weakok, Buchholdt
Cross-Exam by Sigler

the two corporations now. But you're right, this whole corporation business is kind of a foreign antigen and is causing a lot of mischief, and I might add a lot of money for you lawyers.

Q That's the main thing.

WITNESS MR. WORL: I'd like to respond to one part of your question. You said, "Are both necessary?" I think that the distinction there is that one is a corporate entity charged with making a profit and distributing, you know, the dividends to the populace. The other -- the borough is different than the other in being a borough, rather than an active non-profit arm of the Regional Corporation, and the role of the non-profit arm and of the North Slope Borough is to deliver services to the population. It was just that in North Slope that they chose to be the first to exercise the option that they had of becoming a Municipal Government with full rights under the State Constitution for Municipal Governments and to deliver services through that mechanism rather than as a non-profit arm which would further deplete the resources of the Regional Corporation, which is a profit-making corporation-

Q The borough then does not have any jurisdiction over land. It doesn't --

WITNESS BUCHHOLDT:

A Well yes, it does, as the normal land use planning and zoning authority plus it gets 10% of the state's land in that North Slope.

MR. SCOTT: Isn't this a

Worl, Worl, Neakok, Buchholdt
Cross-Exam by Sigler

1 misunderstanding here, Mr. Commissioner? Isn't it
2 correct to say -- I don't want to interrupt, but I
3 think there is a misunderstanding -- that the borough
4 is simply the equivalent of Municipal Government.

5 A County.

6 Q Yes, and the corporation
7 is the holding company which holds what the native
8 people got from -- in terms of land and money in
9 exchange for what they gave up.

10 A In this case they're
11 coterminous and that's probably the source of confusion.

12 MR. SIGLER: I'm not confused.
13 I'm just trying to -- I understand that well. I just
14 want to know, I'm trying to get more details on the
15 working relationship between the Municipal Government
16 on the one hand and the land-holding company on the
17 other.

18 WITNESS MR. WORL:

19 A Since they share a
20 constituency, although the constituencies are not
21 as co-terminous as the boundaries, in other words
22 the borough is also responsible for the non-native
23 population within its boundaries as well. But I
24 think that it's important to point out that we have
25 a small population in that area and we have, you know,
26 we make a great deal of demand on local leadership,
27 and as Jon has pointed out earlier, there is some
28 sharing of that leadership within the municipality and
29 also within the Regional Corporation. While they don't
30 see eye to eye on a great many things, they are forced
31 to negotiate and at least to come to grips with

Worl, Worl, Neakok, Buchholdt
Cross-Exam by Sigler

1 some of the problems of who are you serving at any
2 given time?

3 Q I take it that the
4 corporation is subject to the legislative authority
5 of the borough.

6 WITNESS BUCHHOLDT: Right.
7 But if you had a large county in which there was a
8 single mill and executives of that mill sat on the
9 Board of the Local County Board of Supervisors, it
10 would probably inhibit the chances that the county
11 would levy high taxes on that mill. Right? Well, that's
12 kind of what's working with the borough now. The
13 people are beginning to become just a shade politically
14 schizophrenic and it's understandable.

Worl, Worl, Neakok, Buchholdt
Cross-Exam by Sigler
Cross-Exam by Scott

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Worl, Worl, Neakok, Buchholdt
Cross-Exam by Scott

1 questions that I'd like to ask and one is about the
2 interaction of the corporation in the Borough and
3 voting patterns. Now, it seems to me from what you
4 said that one of the difficulties is that they're
5 almost co-terminus, but that potentially is also one
6 of the advantages and what concerns me is what may
7 happen if and when the Borough becomes in terms of
8 majority, caucasian, while the corporation, of course,
9 remains owned by the native people.

10 Now, in that context, I don't
11 disagree with what you said about workers in con-
12 struction camps voting but have you any experience in
13 the North Borough about in-migrants coming in who are
14 not employed by the oil companies but come there for
15 subsidiary employment and who threaten to turn a
16 majority into a minority. Have you any experience with
17 that in Alaska and in the North Borough?

18 A Well, that's been the
19 tradition of local government of rural Alaska up
20 till now where the white minority governed the majority
21 through municipal government and that's something
22 that's probably--it's a liability faced by the people
23 of the Arctic Slope.

24 THE COMMISSIONER: No, but
25 Mr. Scott's point is that the native people are a
26 minority practically everywhere in Alaska now, I
27 suppose, except the North Slope. The experience must
28 have been of white settlement and occupation converting
29 the native majority into native minority.

A The natives have always

been a majority. The point is I never took much part in local government. Up in the North Slope, the situation you describe has a possibility.

4 MR. SCOTT: Well, that you
5 see is the question to which we were addressing
6 ourselves this morning. Not the question of people
7 in construction camps moving; nobody is worried about
8 that. What I really ask you; has there been any
9 substantial in-migration of whites seeking employment
10 in subsidiary industries into the North Borough?

11 A Yes.

12 Q What proportion of the
13 population is represented by those people?

14 A Well, we heard new
15 population figures just now. I would imagine most
16 of those population increases are white. How many
17 more whites have moved into Barrow in the last year?

18 WITNESS MR. WORL: One
19 hundred since January at one place. Again, this is
20 an area where we don't have any real good data because
21 we have no basis for gathering population data on
22 a monthly basis. But I think that in looking around
23 Barrow, I would say that we probably get probably
24 another hundred to a hundred and fifty since June of
25 last year who have moved to Barrow, as you say, taking
26 positions in subsidiary operations.

27 Q How does that relate
28 to the population of Barrow?

29 A It increases the
30 population of Barrow.

Worl, Worl, Neakok, Buchholdt
Cross-Exam by Scott

Q I understand that, but
2 what is the total population of Barrow?

3 WITNESS BUCHHOLDT: Well, I'll
4 make a guess. I'd say Barrow has a population now
5 of 3,000 and I'd say 600 to 700 are white.

6 Q How many of them are
7 in-migrants that have come for subsidiary employment
8 since the pipeline construction?

9 A I guess between a quarter
10 and a half.

11 Q Of the 600? All right.
12 Can I go on to--I take it then that you don't see any
13 risk in in-migration of white persons connected with
14 pipelines altering the question of local control,
15 altering the question of native control.

16 A A prudent man who comes
17 to the North Slope Borough for specific purpose would
18 not get politically involved if he wanted to be
19 successful in the purpose he came for.

20 Q Well, that's a little
21 intimidating but aside from that--

22 A It certainly is.

23 Q Let me put it this way;
24 are there difficulties that you foresee in the
25 possibilities of a corporation, native controlled,
of great assets or substantial assets, existing within
a Borough that is dominated by caucasians who have
in-migrated? Do you see problems in that or are you
not worried about it?

A It's a theoretical

Worl, Worl, Neakok, Buchholdt
Cross-Exam by Scott

problem, the evidence about which suggests it's nothing that we have to worry about for two or three decades.

WITNESS MR. WORL: I think instructive in that is what we're talking about basically is the--in terms of western society anyways we're talking about a beneficiary population of government services sort of turning the tables and becoming the main provider of those services and in any government where the constituency determines by a vote who the government is going to be, that is very often dependent on the quality of the services provided to that populous.

So, it's really a moot point because we presently still have after what, three elections; we still have a totally Inupiat government.

Q I take it the reason that you think you don't have to worry about that risk, whatever it is, for a couple of decades is because you don't predict that the in-migration will be sufficient to upset that balance?

WITNESS BUCHHOLDT: The in-migration will match the out-migration of white people.

Q All right.
WITNESS MR. WORL:
A There will be a steadily growing, a small growing number of positions for in-migrants. As more and more people are educated, get better education outside from the communities, they will fill more and more of these slots. Also, as

Worl, Worl, Neakok, Buchholdt
Cross-Exam by Scott

1 development slows down, as it will when you're dealing
2 with a non-renewable resource, there's going to be a
3 drop, you know, in the population eventually and that
4 drop again is going to be in-migrants who are going
5 to be out-migrating.

6 The other thing is that even
7 with the more permanent positions that are filled by
8 non-natives, there's a high level of transiency with
9 people being there probably a maximum of two years.
10 In other words, the transient population doesn't
11 remain there long enough; number one, to figure out
12 a lot of these kind of issues and number two, he's
13 up there for a specific purpose, usually to make a
14 buck, and the politics of it don't really concern him
15 on the long-range basis and number three, he's going
16 to turn over before he has any significant impact on
17 a voting pattern or has any significant impact on
18 determining the direction of any given issue.

19 Q Well now, let me turn
20 to the second question. In asking it, let me ask
21 you to assume that in the Northwest Territories, there
22 is going to be at some time developments in the nature
23 of pipelines or what have you and a lot of people in
24 this Territory have said that one of the things that
25 must be done before that development occurs, is that
26 there must be a land claims settlement and by a land
27 claims settlement, they contemplate, I think, among
28 other things, the kind of political control, in certain
29 places at least, that your Borough represents in
30 Alaska.

Worl, Worl, Neakok, Buchholdt
Cross-Exam by Scott

So, that you come here having
achieved what they say must be achieved, at least
in part, before a pipeline may be built in Canada and
then I hear you describe the problems that you have
to deal with and I wonder whether there are not other
solutions.

In other words, looking back,
you've had your land claims settlement. You got as
much out of it as you could and still the problems
of dislocation and adjustment are immense as your
figures reveal. What other things do you think should
have been done before pipeline development, if any?

Worl, Worl, Neakok, Buchholdt
Cross-Exam by Scott

WITNESS BUCHHOLDT: Well --

Q Obviously land claims alone was not enough to ameliorate all the problems.

A Well, a lot of nice things could have happened. I think that we did as best we could. I think the problems we have now we can't tell how much harder they may have been had we not organized local government. It's what's going to happen, right? That's what the borough is best able to deal with, is to do something about the future problems, as are symbolized by outer continental shelf development.

THE COMMISSIONER: Can I ask you a question?

Q What you're really saying is that if you had to choose between local government and land claims, you would have opted for local government. I mean if you'd had to choose -- I'm speaking to you. Well, maybe all of you would like to take a crack at this, but if you had to opt for the Regional Corporation, if the government said to you, "Now you can have the Regional Corporation and the wealth that it possesses and so on and so forth, dividends, joint ventures, or else you can have this borough," and they have ways of taking the borough away from you, they can turn Deadhorse into a city and let them have the tax base and so on and so forth. Now, I'm sorry, I've been sitting here for about nine hours and maybe I'm just getting a little woolly, but does my question make any sense? Can you address it?

Worl, Worl, Neakok, Buchholdt
Cross-Exam by Scott

WITNESS NEAKOK: : If I

could address it, I understand that we didn't have much to deal with and we just utilized the three things that we had. The land claims was something new and we didn't realizethat we were really going to get our land claims, but at the same time we started the government, the land claims, and went into Courts for trespass. So we've been lucky so far. We've got our land claims, we've got our government, and hopefully will win that lawsuit.

WITNESS BUCHHOLDT:
It's a kind of an iffy

question. I feel that people ought to choose between local government back when it was settled, the tradition of local government which was a very repressive, imperialistic tradition of whites controlling politically the majority like in Rhodesia. I think the people would have chosen the land over government. Local government had no apparent value to the people, the land did. So if you had a referendum at that time they would have chosen the land but as it's turned out, the way that history is, there's no distinction. The land claims incorporates local government and the land, and as it turns out, you can't have proper administration of either without both, particularly in the case of the Arctic where a people who don't know what they're doing are going out off the coast now, and then threatening to screw everything up. The only thing you can do to protect your sea claims, and that's a notion that we haven't begun to tackle with yet, and the ice claims which

Worl, Worl, Neakok, Buchholdt
Cross-Exam by Scott

1 are coming on down the plank, you know, these are
2 issues that can only be dealt with through government.

3 Now, the North Slope Borough
4 is going to be able to reinforce people's claim
5 over the ice and if you have local government here
6 in the Northwest Territories, it will reinforce the
7 Inupiatclaim over the ice also. A lot of people don't
8 realize that the ice is something that hasn't been
9 adequately dealt with in international law, but
10 hell, people camp on the ice, they hunt on the ice,
11 there is ice that you can go on that looks like the
12 desert, the Gobi Desert. I mean the ice is a very real
13 thing and there's such a thing, I suppose, as the
14 ice claims -- or will be.

15 Q They can drill for oil
16 on land-fast ice.

17 A They can drill for
18 oil and theoretically of course it moves around a lot
19 and you have to figure out how to do that, but it's
20 the government, you see, that is part and parcel of
21 the land claims. You can't have one without the
22 other. If you try, then it seems to me you're really
23 going to divide the people and there's going to be
24 hell to pay.

25 Q Excuse me, Mrs. Worl
26 wanted to answer, at least you did a minute ago.

27 WITNESS MRS. WORL: Well, I
28 just wanted to say that I don't think, you know, the
29 people saw ^{it as} either/or choice, because you recall
30 first of all they all out of the villages had traditional

1 governments, whether they were incorporated or not
2 they had traditional councils. In addition to that,
3 prior to the land claims we saw the development of
4 these regional organizations, these regional
5 associations which in many respects were already a
6 form of government. So I'm saying that they saw their
7 regional organizations or associations as a form of
8 government to pursue a land claims settlement.

9 THE COMMISSIONER:

10 Maybe I should make it
11 clear, Mr. Bayly, so that counsel who are not here
12 reading the transcript won't think that I haven't
13 been listening for 18 months. I'm fully aware of
14 what is called the land claims of the native people
15 of the Northwest Territories, include claim related to
the capacity to govern themselves.

16 MR. BAYLY: I thought we'd
17 been getting through, sir.

18 MR. SCOTT: Well, I didn't
19 want my question to be misunderstood as a criticism
20 of the choices that you'd made, but it seems to me
21 that the people of the North Borough at least have been
22 the path that a lot of people in the Northwest Territories
23 say they want to go. They want^{ed} a land claim
24 successfully completed, and they wanted local control
25 obtained, and they got in some measure both those
things. Now, all I ask you, is looking back on
that experience and remembering that one of the
objectives of the exercise is to ameliorate the
impacts of development on our people, what other
things do you think are important and significant that

Worl, Worl, Neakok, Buchholdt
Cross-Exam by Scott

1 you perhaps wish you'd been able to pay more attention to, or you would pay more attention to the second
2 time around?

3
4 A I think I would delay
5 the pipeline.

6 Q All right, I'm sorry?

7 A I said I think we would
8 have delayed the pipeline. I don't feel that we were
9 ready for the pipeline. As I said, we were put in a
10 peculiar position of having -- of advocating for the
11 pipeline since \$500 million of our land claim
12 settlement was tied to oil flowing through that
13 pipeline.

14 Q How long would you have
15 delayed the pipeline, or have you turned your mind
16 to that kind of question?

17 A If I had my way, I
18 think we would have something like this Berger Commis-
19 sion.

20 THE COMMISSIONER: That delays
21 it a lot.

22 (LAUGHTER)

23 MR. SCOTT: And that lays it
24 on the line too.

25 A You recall in United
26 States we passed in 1969 a National Environmental
27 Protection Act. That Act tried to assess the impact
28 on the environment of the pipeline. It didn't in--
29 well, it hardly addressed social issues at all, or
30 economic issues, and I think that I would have liked

Worl, Worl, Neakok, Buchholdt
Cross-Exam by Scott

1 to have had a closer look at what the pipeline would
2 have done or what it's doing to the people.

3 Q Well, would that time
4 also, looking back on it, would that time also have
5 been of any use to you in getting your mechanisms
6 in place and functional?

7 A Yes. I think, you know.
8 first of all I said that we were anticipating to
9 share in the oil development, first of all from the
10 revenues from the oil itself.

11 Secondly, we had thought
12 that we were going to have people working on the
13 thirdly pipeline and/we thought we were going to participate
14 in the development in the terms of contracting for
15 constructing the pipeline. In my opinion, our statistics
16 are telling us that we have 5,000 Alaskan natives
17 working on the pipeline. Statistically that's what
18 it's saying; but I think if we look at it we're finding
19 out that No. 1, there were in fact maybe 5,000 people
20 working on the pipeline for a week or two.

21 Secondly we know -- and
22 then I'd like to say the many people who did want to
23 work on the pipeline had problems with union member-
24 ship, with the kind of training that they were
25 supposed to have to be able to work on the pipeline,
26 and so I'm saying that that didn't help a lot of
27 Alaskan natives who wanted to work on the pipeline.

28 In addition to the kind of
29 contracting kind of business enterprises that natives
30 had wanted to get into, they just didn't happen.

Worl, Worl, Neakok, Buchholdt
Cross-Exam by Scott

1 So I think that if we had had a little bit more time
2 we would have reviewed our Alaska plans a little
3 bit better, the Alaska plan which was supposed to
4 ensure native hire or local hire on the pipeline,
5 looked at and developed ways to make sure that our
6 native enterprises which could have been developed
7 through our land claims had actually participated
8 in the development of the pipeline.

9 Q Does anybody else want
10 to say anything?

11 THE COMMISSIONER: Excuse
12 me, Mr. Scott. Just a moment, don't take this
13 down.

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Worl, Worl, Neakok, Buchholdt
Cross-Exam by Scott

1 (PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT)

2 THE COMMISSIONER: Maybe
3 we could resume again and take another run at this
4 second question of Mr. Scott's.

5 MR. SCOTT: Well, in connection,
6 for example, with the opportunities for native hire,
7 I detected from some of your observations that hire
8 from the communities has created its own problems in
9 terms of cash, and surplus of cash and so on. Would
10 you, looking at it again, would you want the pipeline
11 companies to encourage native hire or would you want
12 them to discourage?

13 WITNESS MRS. WORL: First
14 of all, to answer that question, I mentioned something
15 about that cluster hire concept where we advocated
16 for two weeks on and then several weeks off. The
17 oil companies kept offering more and more economic
18 monetary incentives for lengthening the period of time,
19 so that now the time is nine weeks working at camp
20 and I wish that we had had stronger measures to,
21 you know, keep it at the two week interval.

22 I think that's one of the
23 ways whereby we could have worked on the pipeline,
24 native people could have worked on the pipeline and
25 probably it wouldn't have been as--it wouldn't have
26 caused the kind of problems that Bob talked about.

27 WITNESS NEAKOK: I would like
28 to get back to the original question which might do
29 away with this last question you have. As time went
30 on, what we would like to have had at that time was to

Worl, Worl, Neakok, Buchholdt
Cross-Exam by Scott

1 be able to manage our own management. We always felt
2 that since living there from time immemorial that we
3 were able to better control the game, knowing the
4 game; was one thing that we would have strived for.

5 Right now and from past
6 experience, the State and the Federal Government has
7 made us unnecessary criminals due to the regulations
8 that they have in game management. I think the other
9 one would be gravel. They've got a lot of need for
10 gravel. There's not much gravel there. The other
11 one I think would be--

12 Q Well, what about gravel
13 now? I don't understand it. Do you feel, looking
14 back, that you want the Borough to control gravel?

15 A Yes.

16 THE COMMISSIONER: With the
17 mountain range, the geographic boundaries make some
18 sense in terms of game management?

19 A Right. Also, water
20 along the same line. I think we would have done away
21 with a lot of things that we have wanted to sort of
22 control and be able to tell people that this is how
23 you should do it because we've lived there for so
24 long that we knew what was going to happen on the
25 land.

26 WITNESS BUCHHOLDT: You know,
27 I'd like to talk about gravel, for instance. Has
28 anybody talked to you about gravel much before this
29 Commission?

30 THE COMMISSIONER: Oh yes, we

Worl, Worl, Neakok, Buchholdt
Cross-Exam by Scott

talk of nothing else sometimes.

A Well, I won't talk about gravel but, you know, over in our area, the oil companies have been absolutely prodigal about the wasteful use of gravel and I understand that's been true also of offshore oil development in the Northwest Territories. Gravel is going to become a big hassle, you know, and we didn't deal with it in the land claims over there or in the municipal organization, although we're going to be taking it to Court and try to deal with it. You guys better get your gravel agreements squared away. It better be an important part of that land claim because gravel is more valuable to the people and to the ecology and to the entire world than that oil is, the gravel up here.

It's the one thing that nobody seems to want to talk about or I never hear it spoken of as oil companies talk about what they are or not going to do offshore in the Beaufort Sea. The other thing is water. This is a tremendous desert. People act as if there's water for everything and yet we've been assessing what it's going to take to start pumping that oil up after they all--after you waste the gas. This Pipeline Hearing you've got going here, you see, is about how to pipe gas, which it's going to turn up, given the economics of oil, it's going to be required to pressure the oil up so you can get it out economically.

Okay. Now, given the present

Worl, Worl, Neakok, Buchholdt
Cross-Exam by Scott

1 plans--the wasteful plans of the industry--

2 THE COMMISSIONER: Excuse me.

3 You threw me off the last turn there.

4 A Well, the gas is there
5 for a reason and it helps get the oil up economically,
6 right? If you siphon off the gas, then you have
7 problems getting the oil up. So you ought to be very
8 careful about how much gas you siphon off and sell
9 before you get all the oil you need and want, right?

10 Now, if the plans at
11 Prudhoe Bay are to sell gas and that's what this
12 whole thing is about--I mean, the gas over at Prudhoe
13 Bay is a very important part of the economic con-
14 siderations of the Mackenzie Bay Pipeline, as I
15 understand, the Mackenzie Valley Pipeline. The plans
16 presently are to develop an incredible electrical
17 generation capacity to pump water down to replace
18 the gas, you know, to force the oil up through the
19 injection of water.

20 Well, we've been doing some
21 studies on the amount of water that is required and
22 water itself is--the use of fresh water is something
23 that it's going to look like, it appears to me now,
24 something we wish we had gotten a handle on before
25 the land claims were settled, the use of water in the
Arctic Slope, because we are on a desert, particularly
in Alaska.

27 So, those two things are
28 some things that should have been added to the claims
30 local government package.

Worl, Worl, Neakok, Buchholdt
Cross-Exam by Scott

1 WITNESS NEAKOK: The other
2 thing that we could have considered was offshore.
3 The islands where the birds and the other animals
4 nest. A lot of that was tied in gravel and most of
5 that gravel was taken out and the game sort of got
6 dislocated. Also, we have some controls--each
7 municipality in Alaska on the coast have some control
8 about twenty-five hundred feet out into the--on the
9 ocean, the tide lands. I think we would have liked
10 to have gotten a better handle out further where most
11 of our food chain is derived from the ocean.

12 WITNESS BUCHHOLDT: It's
13 ironic that Stewart Udall, one of the first serious
14 responsives to the Alaska Native Land Claims
15 Settlement, Stewart Udall came to Alaska and said,
16 I'll tell you what we're going to do. We're not going
17 to give you any land and we'll give you some cash but
18 we're going to give you the offshore drilling rights.
19 We are going to give you what amounts to be leases
20 offshore. Willie Hensley tells me now that it turns
21 out that the offshore is the one missing element in
22 the native land claims.

1 in retrospect, I would say the land claims should have
2 included aboriginal control to protect aboriginal
3 use and occupancy of the Arctic continental shelf.

4 WITNESS MRS. WORL: Added
5 to that list would be use and availability of the gas
6 resources. Right now we pay \$2.50 a gallon for oil
7 and I think that there should have been ways so that
8 it would have been made available to the people there.

9 WITNESS MR. WORL: Water
10 was mentioned earlier and I think it's instructive that
11 the cost of raw, untreated water to a consumer of water
12 in Barrow and we have a number of them, is 7.5 cents
13 a gallon for any treated water at all if you can get
14 it. It's very difficult to get it. Treated water is
15 around 17 cents a gallon. Billy just tells me it
16 went down to 15 cents a gallon but again, I might add
17 that that is virtually unavailable to the individual
18 consumer.

19 MR. SCOTT: Well, Mr.
20 Commissioner, those are all the questions I have and
21 I want to thank the panel very much for their
22 co-operation.

23 THE COMMISSIONER: Any re-
24 examination?

25 MR. BAYLY: I have no re-
26 examination, sir.

27 THE COMMISSIONER: Well, Mrs.
28 Worl and gentlemen, thank you very much. We appreciate
29 your coming from Alaska to give us the benefit of
30 your own experience and the fact that we've kept you

1 here long past your supper hour and equally important,
2 long past our own, indicates how worthwhile we found
3 this discussion. I hope that you'll convey my thanks
4 to Mr. Hopson for the statement that he prepared and
5 which you introduced in evidence and tell him that we
6 hope that he enjoys a speedy recovery. (1)

7 WITNESS BUCHHOLDT: Thanks
8 for your hospitality.

9 THE COMMISSIONER: Thank
10 you.

11 WITNESS MRS. WORL: Yes, I
12 thank you. (WITNESSES ASIDE)

13 MR. SCOTT: Can we begin
14 at nine o'clock tomorrow morning. We have a busy day.

15 THE COMMISSIONER: All right.
16 Nine o'clock.

17 (PROCEEDINGS ADJOURNED UNTIL SEPTEMBER 23, 1976)

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347

M835

Vol. 189-A

Mackenzie Valley pipeline inquiry:

September 22, 1976 Yellowknife

347

M835

Vol. 189-A

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MACKENZIE VALLEY PIPELINE INQUIRY

Government Publications

IN THE MATTER OF APPLICATIONS BY EACH OF

(a) CANADIAN ARCTIC GAS PIPELINE LIMITED FOR A RIGHT-OF-WAY THAT MIGHT BE GRANTED ACROSS CROWN LANDS WITHIN THE YUKON TERRITORY AND THE NORTHWEST TERRITORIES; and

(b) FOOTHILLS PIPE LINES LTD. FOR A RIGHT-OF-WAY THAT MIGHT BE GRANTED ACROSS CROWN LANDS WITHIN THE NORTHWEST TERRITORIES

FOR THE PURPOSE OF A PROPOSED MACKENZIE VALLEY PIPELINE

AND

IN THE MATTER OF THE SOCIAL, ENVIRONMENTAL AND ECONOMIC IMPACT REGIONALLY OF THE CONSTRUCTION, OPERATION AND SUBSEQUENT ABANDONMENT OF THE ABOVE PROPOSED PIPELINE

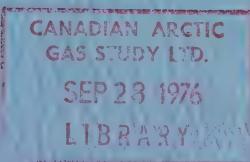
(Before the Honourable Mr. Justice Berger, Commissioner)

Yellowknife, N.W.T.

September 23, 1976.

PROCEEDINGS AT INQUIRY

Volume 190 - CANADIAN ARCTIC GAS PIPELINE INQUIRY



APPEARANCES:

2 Mr. Ian G. Scott, Q.C.,
 3 Mr. Stephen T. Goudge,
 3 Mr. Alick Ryder, and
 4 Mr. Ian Roland, for Mackenzie Valley Pipeline
 Inquiry;

5 Mr. Pierre Genest, Q.C.,
 6 Mr. Jack Marshall,
 6 Mr. Darryl Carter,
 7 Mr. J.T. Steeves, and for Canadian Arctic Gas Pipe-
 7 Mr. Gerry Ziskrout, line Limited;

8 Mr. Reginald Gibbs, Q.C.,
 9 Mr. Alan Hollingworth,
 9 Mr. John W. Lutes, and for Foothills Pipe Lines Ltd.;
 10 Mr. Ian MacLachlan,
 11 Mr. Russell Anthony,
 11 Prof. Alastair Lucas and
 12 Mr. Garth Evans, for Canadian Arctic Resources
 Committee;

12 Mr. Glen W. Bell and
 13 Mr. Gerry Sutton, for Northwest Territories
 14 Indian Brotherhood, and
 14 Metis Association of the
 Northwest Territories;

15 Mr. John Bayly and
 16 Miss Lesley Lane, for Inuit Tapirisat of Canada,
 17 and The Committee for
 Original Peoples Entitle-
 ment;

18 Mr. Ron Veale and
 19 Mr. Allen Lueck, for The Council for the Yukon
 Indians;

20 Mr. Carson Templeton, for Environment Protection
 21 Board;

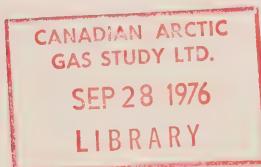
22 Mr. David H. Searle, Q.C. for Northwest Territories
 23 Chamber of Commerce;

24 Mr. Murray Sigler and for The Association of Municipali-
 25 ties;
 25 Mr. David Reesor,

26 Mr. John Ballem, Q.C., for Producer Companies (Imperial,
 26 Shell & Gulf);

27 Mrs. Joanne MacQuarrie, for Mental Health Association
 28 of the Northwest Territories.

347
 M835
 Vol. 190



	<u>I</u> <u>N</u> <u>D</u> <u>E</u> <u>X</u>	<u>Page</u>
WITNESSES FOR N.W.T. ASSOCIATION OF MUNICIPALITIES:		
3	Amil Edwin GANSKE	
4	- In Chief	29574
	- Cross-Examination by Mr. Scott	29585
5	Orest WATSYK	
6	Mrs. Carol BENNETT	
7	John ROSKA	
8	Richard E.K. FEILDEN	
9	- In Chief	29592
10	- Cross-Examination by Mr. Scott	29627
11	Donald TAYLOR	
12	Donald FERGUSSON	
13	Dess FOGG	
14	- In Chief	29639
15	- Cross-Examination by Mr. Scott	29684
16	Fred W. HENNE	
17	Jim ROBERTSON	
18	- In Chief	29699
19	- Cross-Examination by Mr. Scott	29714
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		

	<u>I N D E X</u>	<u>Page</u>
1	EXHIBITS:	
2	801 Evidence of J.A. Bergasse	29665
3	802-A Qualifications & Evidence of T. Forth	29665
4	802-B Alyeska Training Program	29665
5	803 Qualifications & Evidence of J.R. Witty	29665
6	804 Qualifications & Evidence of F. Carnew	29665
7	805 Qualifications & Evidence of R.P. Sterling	29665
8	806 Evidence of G.R. Gates	29665
9	807 Qualifications & Evidence of A.E. Ganske	29665
10	808 Municipal Lands & Town Planning	29665
11	809 Qualifications & Evidence of O. Watsyk	29665
12	810 Qualifications & Evidence of Mrs. C. Bennett	29665
13	811 Qualifications & Evidence of J. Roska	29665
14	812 Qualifications & Evidence of R. Feilden	29665
15	813 Town of Inuvik Capital Works Program	29665
16	814 Qualifications & Evidence of D. Taylor	29713
17	815 Evidence of D. Fergusson	29713
18	816 Evidence of D.M. Stewart	29714
19	817 Northern Staging Area	29714
20	818 Assessment of Environmental Protection Activities on Mackenzie Valley Project	29714
21	819 Qualifications & Evidence of F. Henne	29714
22	820 Evidence of J. Robertson	29714

Yellowknife, N.W.T.

September 23, 1976

(PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT)

MR. SCOTT: Mr. Commissioner, before Mr. Sigler begins, could I just make a few announcements? We have circulated to all participants a summary of the evidence of Dr. Michael Krauss and Dr. John T. Ritter on the general subject of native languages and development. It is our intention to call that evidence on Monday, October 4th, following the COPE panel on land claims.

We have also circulated the evidence of J.A. Bergasse, the director of economic development and tourism. I would ask that it be made an exhibit. It is not our present intention to call Mr. Bergasse to give evidence unless one of my friends notifies me that he wishes to cross-examine him on his paper. In other words, we intend simply to file his paper as evidence as we have done in some other cases unless I receive notice that someone wishes to cross-examine him.

We have also circulated to the participants the evidence of the panel on manpower composed of Terry Forth, J.R. Witty, R.P. Sterling, F.I. Carnew and R.G. Gates. I would ask that those summaries of evidence be made exhibits at this time. We again have decided -- we have not decided at the moment whether to call this panel or not. I would not propose to call it as presently advised unless one of the participants indicates to me that he wishes to cross-examine all or any of the persons on the manpower panel. Assuming that they

A.E. Ganske
In Chief

don't, I would ask that the evidence which is entered as an exhibit simply be treated as read.

Anytime you are ready,

Mr. Sigler.

AMIL EDWIN GANSKE, sworn:

MR. SIGLER: This morning, sir, I would start off with Mr. Ganske whose paper and resume has been filed as an exhibit. He is here to speak on the Territorial Government's planning policies. Mr. Ganske, I believe, has been sworn in.

DIRECT EXAMINATION BY MR. SIGLER:

Q Mr. Ganske, you were born December 9th, 1933, Lethbridge, Alberta?

A Right.

Q And education -- received a post-graduate diploma in Town and Regional Planning, University of Toronto, Toronto, Ontario, 1962?

A Yes.

Q Also in 1962, you completed your Dominion Land Surveyor Examination for the Department of Energy, Mines, and Resources, Ottawa?

A Yes.

Q Prior to that, 1960, you completed Alberta Land Surveyor Examination given by the University of Alberta in Edmonton?

A Yes.

Q In 1958, you received a diploma in Surveying and Drafting from the Southern

A.E. Ganske
In Chief

11 Alberta Institute of Technology in Calgary, Alberta?

12 A Yes.

13 Q You are a member of the
14 Canadian Institute of Planners, Commissioned
15 Dominion Land Surveyor, Commissioned Alberta Land
16 Surveyor although not active at present as an Alberta
17 land surveyor and you are a member of the Community
18 Planning Association of Canada?

19 A Yes.

20 Q Planning experience --
21 in 1962-1963, you worked with the Planning Branch,
22 Department of Municipal Affairs, Government of the
23 Province of Alberta as a planning officer. 1963 to
24 1969, you worked for the Peace River Regional Planning
25 Commission in Grande Prairie, Alberta, first of all,
26 as the senior planning officer from 1963 to 1967 and
27 then as director from 1967 to 1969?

28 A Yes.

29 Q From 1969 to present,
30 you have been in Yellowknife employed by the Government
31 of the Northwest Territories as chief of the Town
32 Planning and Lands Division of the Department of Local
33 Government?

34 A Yes.

35 Q And it is in that
36 capacity that you are speaking in giving your evidence
37 here today?

38 A That's correct.

39 Q Once again, I would like
40 to thank you and the government for its assistance in

A.E. Ganske
In Chief

preparing the evidence and coming forward to the Inquiry. I would then ask you to turn to your evidence and read it in.

A Mr. Commissioner, I have been asked by the Northwest Territories Association of Municipalities to speak in my capacity of chief of the Town Planning and Lands Division of the Department of Local Government to tell you about some of the policies we have developed regarding land disposal and our approach to community planning along with the Mackenzie.

First, I should state that I have been in Yellowknife in my present capacity for seven and a half years. Prior to coming here I was the director of the Peace River Regional Planning Commission which served as the planning body for about thirty urban and rural municipalities and improvement districts in the Northwest quarter of Alberta.

The Town Planning and Lands Division is responsible for preparing development plans for communities and the associated and municipal service infrastructure, the disposing of lands immediately contiguous with communities that are within the Block Land Transfer areas and an aerial photography mapping and survey program.

The "Block Land Transfers" is a program whereby the Federal Government transfers the administration and control of an area of say 15 square miles around the settlement or municipality to the Territorial Government. The Territorial

A.E. Ganske
In Chief

Government in turn develops policies and procedures in order to dispose of land in consultation with settlements or to pass the responsibility to municipalities. Not all Block Land Transfers have been completed. In these areas we have an administrative agreement with the Federal Government to administer lands for the Federal Government to the point where a lease or an agreement of sale can be legally signed. This procedure here allows the government of the Northwest Territories the necessary control of land to facilitate community development plans and land disposal.

THE COMMISSIONER: Excuse me, Mr. Ganske, is that what you call "Commissioner's Land"?

A Exactly. In regard to municipalities, we have a Municipal Land Policy, a copy which is appended to this paper.

MR. SIGLER: That has been filed as an exhibit, sir.

A I might add that unfortunately there is a very limited supply of these copies and as we have just updated the policy and the new ones are not available. In fact, after I put that in, I couldn't find one when we were so short of them but I finally dug one up.

There is no difference of substance between the appended policy and the updated policy. The Municipal Land Policy essentially lays out the process whereby municipalities may have

2058
A.E. Ganske
In Chief

an increasingly active part in the disposal of public lands which are under the Commissioner's control. In municipalities of Village or higher status, the Territorial Government is willing to make lands available to the municipality at a minimum price of \$75.00 an acre. The municipality must however show a need for and have planned the land both physically and financially. In municipalities of town or city status, provisions exist whereby the towns or cities can become sole vendors of the undeveloped crown lands within their municipal limits.

I should add that it is our experience this policy has been well accepted by the municipalities and they have been most enthusiastic as it assists them to control and develop lands in their respective municipalities.

In settlements or hamlets where land is disposed of by the Commissioner, councils are encouraged to take part in the disposal process. a land agent, suitable to the council, is appointed at the settlement or hamlet level and this land agent is directed to refer all land applications to the council for recommendation to government prior to government disposal of the land. Disposal of the land is by sale or lease agreement.

Our community development plan approach is also oriented towards a high degree of local consultation and control depending on the degree of political and administrative ability which the community has achieved.

A.E. Ganske
In Chief

As we have financial constraints it is not possible to supply development plans to each community in a short number of years and in addition there is the problem of updating development plans. Therefore, we try to prepare two or three plans a year and update those which have the greatest need. These plans are developed through the use of consultants, planners, and engineering firms. In the remaining communities in-house planning is undertaken in the form of subdivision and land use design.

In 1972 we recognized the Mackenzie communities would be in a high impact zone due to pipeline and highway development and our community planning funds and the municipal planning grants of \$2500 per year for each municipality were insufficient.

Requests for special funding were made through the Mackenzie Highway Program and Environmental-Social Program of the Federal Government to augment Northwest Territories Government planning funds to complete a three-year planning program. The program was directed at all settlements on the Mackenzie and the delta with the exception of Jean Marie River and Fort Providence. The funds allotted for the planning program amounted to \$380,000.

A.E. Ganske
In Chief

General development plans

now exist in Tuktoyaktuk, Inuvik, Aklavik, Fort McPherson, Arctic Red River, Norman Wells, Fort Norman, Fort Simpson, and Hay River. In the Towns of Inuvik, and Hay River, and in the Village of Fort Simpson, the funds were given directly to the communities for the preparation of the general development plans. The Territorial Government assisted these municipalities by providing terms of reference for the plans, evaluating the plans and making recommendations to these councils. In other settlements and hamlets, the Territorial Government contracted directly with the consultants after the communities approved of the consultants and the terms of reference. The consultants were directed to meet with the councils from time to time in order that the people for whom the plans were being prepared would have full say in the preparation. I should add that of the communities which were to have development plans, only two have not been completed. These are Fort Goad Hope which had taken the position that they were not interested in planning and did not want government to carry out any more studies in their community, and Fort Wrigley, who said that they were interested in having a development plan, but due to other priorities such as land claims and the highway, they were not in a position to become involved at the present plan. Therefore the plans of these two communities have been shelved, in keeping with the wishes of the local people, as the impact would not be as great as some of the other communities -- that

A.E. Ganske
In Chief

is Inuvik, Tuktoyaktuk, Norman Wells, Fort Simpson and Hay River. In preparing community plans, the consultants were instructed to prepare plans of expansion. They were to prepare proposals for the major communities for both normal growth requirements and the increased growth requirements which would be expected with petroleum and highway development. These plans are basically designed to provide for physical development for the community and the expansion along with the seven-year capital program to give us guidance in the amount of monies required to carry out the proposed developments. The plans have been of varying degrees of success and have been most helpful in establishing the amounts of funds required for future development in preparing land use and subdivision proposals, evaluating the existing service infrastructure and providing schematic drawings for engineering projects.

Mr. Commissioner, I would not wish to leave the impression that because these plans are in place we will have no difficulty in coping with the impact of development on the communities. I might add that the impact of the pipeline on communities is not a thing that begins with the announcement of the pipeline decision, but it has been ongoing for the past three years because of the increased role of civil service in the north to prepare for pipeline activity, and the preparations that have been made by private entrepreneurs to get warehouses, storage areas, and transportation equipment in place in order to take

A.E. Ganske
In Chief

1 advantage of the anticipated business opportunities.
2 You may have noticed that in Inuvik several companies
3 have located shops, warehouses and camps in the area,
4 and all this has caused activity which could be
5 considered beyond the normal growth pattern. It is
6 because of this activity that places such as Hay River
7 and Inuvik have experienced a substantial growth
8 and have required an expenditure of public funds
9 for basic municipal service infrastructure. This
10 impact, I believe, has assisted us in getting into
11 a positive position to cope with pipeline construction.
12 Because of this growth we have and are considering
13 projects at this time which, when completed, will be
14 sufficiently large to cope with the pipeline impact.
15 I should add in this regard that some of the normal
16 growth rates which have been proposed by the consultants
17 I consider personally to be high if no pipeline
18 activity had been contemplated. However, we have not
19 adjusted the figures or asked the consultants to
20 adjust the figures because of the pre-pipeline impact
21 which we are experiencing, and in my opinion it has
22 enabled us to pursue some of the most important infra-
23 structure plans and projects. For example, Hay
24 River sewage treatment facilities, and sewage lift
25 stations and sewage trunk lines, and the proposed
26 improvements to the Hay River water supply and the
27 Fort Simpson water supply which is anticipated to
28 commence in the not too distant future.

29 I realize that there will be
30 a tremendous impact during the construction of the

A.E. Ganske
In Chief

pipeline on municipalities due to the competition for labor, the competition for transport facilities, and the competition for materials. The best way to guard against this kind of impact is to get the major facilities in place prior to competition becoming a major problem. Of course, it will not be possible due to the time constraints to have all the contemplated projects completed, therefore I would propose that a small but effective Co-ordinating Committee be formed consisting of the major governmental constructors in the north, that is the Department of Public Works, ^{Territories} Northwest Housing Corporation, the Federal Department of Public Works, and the Ministry of Transport and the applicant.

The terms of reference would be for the committee to assess the magnitude of the total projects being proposed each year by government and the applicant; assess the ability of the market to supply the materials; assess the effect on transportation facilities; assess the effect on labor and to make recommendations regarding the priorities and timing of the pipeline and other projects which must be adhered to in order that the problem of competitive supply, labor, transportation, and materials may be reduced.

This committee should report to whatever organization has the ongoing control over the applicant during the pipeline construction. The terms and conditions under the jurisdiction of the controlling committee should outline the actions that

A.E. Ganske
In Chief

the controlling committee may take based on the recommendations of the Co-Ordinating Committee.

Mr. Commissioner, I have purposely kept my paper rather general and short, however should there be questions within my area of expertise, I would be pleased to answer the questions or provide additional data, as required.

THE COMMISSIONER: Thank you, Mr. Ganske. I wonder if you could just be a little more specific about something you said on page 4. You said that,

"The preparations that have been made by private entrepreneurs to obtain warehouses, storage areas and so forth has assisted you in getting into a positive position to cope with pipeline construction."

Then you said:

"Because of this growth, we have and are considering projects at this time which, when completed, will be sufficiently large enough to cope with pipeline impact."

What projects did you have in mind?

A Yes. For instance we have completed projects in Hay River, as mentioned. Also we now have the money to press forward with the water supply in Hay River, which will be -- have a capacity to supply water to 16,000 people, and this would be far and greater than anticipated by the pipeline impact, 85.

The same thing is happening

A.E. Ganske
In Chief
Cross-Exam by Scott

in Inuvik. You may recall Mayor Robertson's statements regarding the water treatment plant that we're presently contemplating, and the improvements that have been made to the water storage by 500,000-gallon tank. These are the kinds of things. This is sort of what I think is unnatural growth and it's really pipeline related growth which has given us the justification and the growth in the communities now prior to pipeline development to raise money and get projects in place or next to in place.

THE COMMISSIONER: Yes, I follow you.

MR. SCOTT: Mr. Ziskrout?

MR. ZISKROUT: No questions.

CROSS-EXAMINATION BY MR. SCOTT:

Q Mr. Ganske, following up a question that the Commissioner asked you, in the next paragraph on page 4 you say:

"The best way to guard against this kind of impact is to get the major facilities in place prior to competition becoming a major problem."

I presume there that what you have in mind is a number of major facilities that you think are important to minimize impact of development. Have I got that right?

A Yes, that's true.

Q Have you got a list of those major projects or facilities, or could you prepare one?

A I think we could prepare

A.E. Ganske
Cross-Exam by Scott

one. I don't think I have one with me.

Q No.

A What I really mean, though, maybe I could -- if we actually had a go decision, in fact then we could identify several other projects as going to have to go.

Q Well, let me ask you this. Assuming a go decision for the pipeline, could you list for me back at your office, perhaps, the -- what you regard as the major facilities that are required to alleviate or to deal with development impact in each community?

A Oh yes, and the capital for physical infrastructure.

Q Yes, and could you also estimate the cost of those and could you also tell me the time element that would be required to get those in place and operative?

A M-hm.

Q Could all that be done?

A yes, that can all be done. I think one of your questions was partly answered by the paper that Mr. Currie submitted to the Inquiry, and that he gave overall figures regarding municipal service infrastructure. Now, the figures that haven't been put together to date town by town is the total impact figure. In other words, the costs for the school, the additional schools, the additional buildings that may be required for housing people to service these things. What we do have and

A.E. Ganske
Cross-Exam by Scott

in fact I have a list with me here, is the overall costs for municipal service infrastructure with some costs regarding municipal employees that will be required.

A. E. Ganske
Cross-Exam by Scott

Q Well, just so it's understood, what I'd like to be able to get from you is a list of what you regard as the major essential project to deal with pipeline development. Is that clear?

A Yes.

Q And if possible, although it's not necessary, the capital cost of those projects.

A Yes, we have all that information too.

Q And most important, the time from the word go in which it will take to put those projects in place and make them operative.

A I think from the time, from the word go, dealing with that question, I understand and we've been assured that once the pipeline decision is made, that we will have very little difficulty in securing funds from Ottawa.

Now, what the Territorial Government is presently doing in this is preparing a regional--I should say Territorial and Federal Government are preparing what they call a regional plan for the Mackenzie Delta. Now, these figures will be put together by the end of the year and there will be a Treasury Board Submission made up to cover these figures by March 31st of 1977.

Q For the third part of my question, I don't want you to trouble yourself about how you're going to get the money. You just assume that. What I'd like to know is how long from

A. E. Ganske
Cross-Exam by Scott

the word go it's going to take to put each of these projects in place. Do you follow me?

A Roughly two years, two and a half.

Q Well, on the basis of his experience, leaving aside requests for funding, the construction and operation time.

MR. SIGLER: Assuming the funding is there.

A If, for instance, the word go is in the fall, then in fact most of those major projects could have detailed designs completed during the winter and contracts let the following spring and depending on the type of the project which could be probably one to--probably a year to eighteen months, two years.

So, you're talking anywhere from about two years to two and a half years for major projects.

MR. SCOTT: Well, that's the kind of figure I'd like for each of those projects, if you can arrange that.

A Sure we can supply that. No problem.

Q All right. I say that because I note that your proposal to deal with the press and the competition for construction is to establish a committee that you've described on page four and five. I take it that your idea for that committee is that it will be a committee of all parties

A. E. Ganske
Cross-Exam by Scott

in effect, and will meet to assign priorities for construction, equipment and supplies.

A Yes, I feel that would be something that would be very helpful in cutting down the competition.

Q And the general theory is if the proposal for construction of significant municipal infrastructure, as you call it, is important. The timing of the pipeline, as it goes along, should be delayed to meet that.

A It may be that delay may be one answer but there may be other answers. It may be a given priority on transportation to certain projects over others, setting priorities on the transportation facilities, which may not delay anything.

Q Well, what do you say about this proposition; the Housing Corporation has come forward and has given evidence here and they have said that once the pipeline construction has started, we don't have any realistic confidence that that construction, that pipeline construction can be delayed or timed to allow us to fit in our projects. Do you disagree with that?

A I don't disagree with that statement.

Q And therefore, the Housing Corporation says that their major projects, in their view, must be completed before construction of the pipeline begins. Now, do you think that that's a sensible approach from your point of view, from the

A. E. Ganske
Cross-Exam by Scott

point of view of your project?

A I think that certainly is and I believe I've stated that very same approach as the ideal approach. Whether or not you can achieve that in the sense of the overall Canadian priorities, I'm not sure, but assuming you don't, then I'm pointing out what I think is the best course of action; is to have some kind of a group that can at least get together annually or throughout the year several times to assess the annual programs because the program is going to be undertaken over a three year period.

Q Oh yes but, Mr. Ganske, do you think in terms of your experience that it's realistic after construction of the pipeline has started, to establish a committee which will be designed to slow down or alter the course of construction of the pipeline so that your major projects can be fitted in? Do you think that's a realistic approach to this problem of getting your projects completed or do you think that the pipeline is just going to ride right over everybody?

A Well, I think if the terms and conditions given to the applicant are such that the possibility of even a temporary delay and even a short-term delay could exist, then in fact both the pipeline committee and the major governmental constructers will get together to try, a) to prevent the delay and work out the best possible solution.

It may not be ideal. It certainly won't be.

A. E. Ganske
Cross-Exam by Scott

Q Well, I'd much appreciate it if you could let me have the lists that we were discussing a moment ago as soon as you can conveniently do that.

A Yes, these lists will deal with what we call municipal service infrastructure. It won't have such things as additional schools and this type of thing at this time because those figures aren't grouped together yet.

Q Is there any way of developing that material?

A I understand that will be developed by the end of the year. We may be able to do something for you before that but I'm not in control of those figures in my shop.

Q Well, does your branch not deal with those matters as major projects?

A Directly, no. In fact, the Program and Planning Evaluation Department are putting those figures together for the Mackenzie Delta Regional Plan. Education is feeding that into them. We have sort of a general view of it but it isn't our responsibility.

Q I see. All right, thank you very much, Mr. Ganske.

THE COMMISSIONER: Thanks very much, Mr. Ganske, for that overview of planning in the Mackenzie Valley. We are very much in your debt sir. Thank you.

(WITNESS ASIDE)

MR. SIGLER: Sir, it might

take about five minutes to assemble the next group.

THE COMMISSIONER: Right.

We'll take a five minute break, but this isn't the official coffee break. That comes later.

MR. SIGLER: Of course.

THE COMMISSIONER: I don't want to deprive myself of that.

(PROCEEDINGS ADJOURNED FOR A FEW MINUTES)

Watsyk, Bennett, Roska, Feilden
In Chief

1 (PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT)

2 MR. SIGLER: I'd like to
3 focus on the municipalities, and we wish to give
4 some examples of the planning process that's going
5 on in the three main communities that we foresee as
6 having highest impacts, and on the panel now we have
7 Mr. Watsyk, who is the chairman of the council in
8 Fort Simpson, together with three representatives of
9 the Town of Inuvik, Mrs. Bennett, Mr. Roska, and Mr.
10 Feilden, and the Hay River representatives will be
11 coming in on the plane this morning, and I'll put
12 the three representatives from Hay River on as our
13 next witnesses, and they should be arriving within
14 the next hour or so. That should be all right.

15 So the witness' resumes have
16 been filed as exhibits with respect to each of
17 these three witnesses.

18 OREST WATSYK,

19 MRS. CAROL BENNETT,

20 JOHN ROSKA,

21 RICHARD E.K. FEILDEN, sworn:

22 DIRECT EXAMINATION BY MR. SIGLER:

23 Q If I could start with
24 you, Mr. Watsyk, and take you through your resume,
25 you were born in Komarno, Manitoba in 1933.

26 WITNESS WATSYK: Yes.

27 Q And you attended
28 school in Manitoba. Work experience, involved in
29 education, you have taught in Manitoba, British Columbia

Watsyk, Bennett, Roska, Fielden
In Chief

1 and Jean Marie River in Northwest Territories, then
2 returned to the University of British Columbia for
3 two years, graduating with a Bachelor of Education,
4 elementary level, in 1961, and also a commission
5 as C.O.T.C., and you were married in December of 1961.
6 Is that correct?

7 A That's correct.

8 Q You then were in
9 Vancouver for one year and then moved to Fort Franklin
10 in the Northwest Territories where you taught for
11 one year, and then went to Fort Simpson teaching for
12 two years, and serving as principal at the school in
13 Simpson for eight years, then as a teacher, and now
14 you're presently employed as an adult educator in
15 February, 1976 in Simpson. Is that correct?

16 A Yes, that is correct.

17 Q And during your residence
18 in Simpson you've been involved on the Village Council,
19 and prior to that you were a member of the Advisory
20 Council for about three years, chairman of the
21 Hamlet Council for two years, and were elected chair-
22 man of the Village Council in the municipal elections
23 in December of 1975. Presently you are the chairman
24 of the Village Council. Is that correct?

25 A Yes, that's right.

26 Q And the council has
27 authorized the paper that you'll be presenting before
28 this Inquiry today.

29 A Yes.

Q You've also had involvement

Watsyk, Bennett, Roska, Feilden
In Chief

in a volunteer capacity in the committees and groups that you've listed on your resume that's been filed.

A Yes. Shall I go over the spelling mistakes on that page?

Q Well, perhaps you could for the record.

A Not now, eh?

Q And you've had the private enterprise involvement in Borealis Development Ltd., W.H. Development Ltd.

THE COMMISSIONER: Did they spell your name right?

A Yes, that's one of the few occasions it is spelled correctly.

MR. SIGLER: Q Mrs. Bennett, you're married with three children?

WITNESS BENNETT: Yes.

Q And you came to Inuvik in 1968 with the Armed Forces. Your husband retired from the Forces in 1972, at which time you purchased the theatre in Inuvik, is that correct?

A Yes.

Q And you yourself purchased and manage the local beauty shop in Inuvik.

A Right.

Q Perhaps I'd get you to just turn the mike towards you when you're speaking so that the reporters can take down what's being said. You were elected to the Council of the Town of Inuvik in 1975.

Watsyk, Bennett, Roska, Feilden
In Chief

A That's correct.

Q And you presently serve
as a councillor on the Town Council.

A Yes, I do.

Q And the council itself
has authorized and approved the paper that you'll be
giving here today.

A Yes, they have.

Q Mr. Roska, I'll get you
to pull the mike towards you now. You were born in
Westlock, Alberta, in 1933.

WITNESS ROSKA: Yes.

Q And you married in 1961
and have three children.

A Yes.

Q All born in Inuvik. You
received your formal schooling in a rural area near
Westlock, Alberta. After leaving High School you
worked as a heavy equipment operator, apprentice
mechanic, and in oil exploration and on oil drilling
rigs for a period of five years, is that correct?

A That's correct.

Q In 1956 you came to the
Northwest Territories working on the Dew Line for
five years, as a heavy equipment operator, heavy
duty mechanic, and I-site station chief. Is that
correct?

A That's correct, yes.

Q May 1st of 1961 you
took up employment with the Department of Northern

Wasyk, Bennett, Roska, Feilden
In Chief

Affairs & National Development, operating and maintaining all mechanical equipment and utilities for the Settlement of Tuktoyaktuk. While there you were appointed as representative of the Fire Marshall's Office, providing local assistance to air cushion vehicles on trials from England as well.

A Right.

Q From 1970 to the present time you've been employed by Transport Canada as an equipment operator.

A There is a misprint there. It should be as garage foreman until '70.

Q Oh, until '70.

A Until '70, right, and at the present time employed by --

Q At the present time?

A I'm with the Department of Transport.

Q Right, and you've served on the Inuvik Town Council for the term 1970 to 1972, and from 1974 to present.

A That's correct.

Q And you're speaking here today in your capacity as a member of the Council of the Town of INuvik.

A That's right.

Q Mr. Feilden, now you've received -- as far as education, you received a B.Sc. in mathematics and physics from the University of British Columbia in 1974.

Wasyk, Bennett, Roska, Feilden
In Chief

WITNESS FEILDEN: Correct.

Q And you received a civil engineering degree from the University of British Columbia in 1967.

A Yes.

Q Professional memberships, you're a member of the Association of Professional Engineers, British Columbia, and Association of Professional Engineers, Geologists & Geophysicists of Alberta, is that correct?

A Correct.

Q Experience, presently and since 1975 you are associated with Associated Engineering Services Limited, Consulting Division, and you're project engineer of Northern Projects Department, responsible for planning, design and execution of projects in the Mackenzie Valley, and more specifically you're responsible for engineering, planning and development of the Town of Inuvik and secretary to the Inuvik Utilities Planning Committee and responsible for the co-ordination of all municipal engineering projects undertaken in Inuvik.

A Correct, yes.

Q And it's in that capacity that you're before the Inquiry today.

A Yes.

Q And your previous work experience is as set out in the resume that's been filed.

A Yes.

Q And going back to 1967.

A Yes.

Q Thank you. Mr. Wasyk, if
I could ask you to turn to your paper and read it
into the record?

WITNESS WASYK: The first
section of our report deals with transportation
facilities. Local transportation is now provided by
private vehicles, taxis and a school bus. With
development of a Beaudoir sub-division will a bus
service be required? This arises because the Beaudoir
sub-division will be located directly west of the
present townsite on the mainland. The other problem
is where does the new road cross the Snye? In June of
this year we planned a Transportation Conference to
be held in Fort Simpson to determine more precisely
what is feasible as a future development of Fort
Simpson as a transportation centre. The conference
had to be cancelled due to the air traffic situation.
We're still very convinced that Fort Simpson does have
potential as an economical and convenient transportation
centre, using road, air and water. The major question
is the location of marine transportation facilities.
One potential location is the north end of the Snye,
others are the Liard across from 4-mile, the ferry
crossing and Gros Cap. Private enterprise has initiated
some marine transportation using Fort Simpson as a
base. With millions of dollars being projected for the
development of Axe Point, as a temporary transporta-
tion centre for the pipeline construction phase, we

Wasyk, Bennett, Roska, Feilden
In Chief

1 feel this to be a tragic waste of our money and
2 effort. To spend some of the money developing a
3 permanent facility at Fort Simpson offers advantages
4 during pipeline construction and also offers long-
5 term post-construction advantages such as a longer
6 shipping season, an alternate supply route from B.C.
7 and possibly even cheaper rates for all communities
8 down-river from us.

9 The next section deals with
10 housing, sewer, water and garbage. This is related to
11 the new Beaudoir sub-division. Details of the Beaudoir
12 sub-division are contained in Strong, Lamb & Nelson's
13 report,

14 "Planned Townsite Expansion and Waterworks
15 and Sewerage,"

16 1975 prepared for the Village of Fort Simpson.

17 Q That, sir, has been
18 filed as an exhibit.

19 A Early in 1976 the Village
20 Council had Strong, Lamb & Nelson prepare a capital
21 budget and work schedule that would have lots avail-
22 able in the summer of 1978. Now that schedule is
23 attached farther on in this paper. At this time it
24 seems fairly definite that even as early as '77 we
25 will be short of house lots on the island.

Feilden, Roska, Bennett, Watsyk
In Chief

At the end of August of this year we have nine trailer lots and seven house lots not applied for in the Experimental Farm area; one house lot in the Anglican Subdivision and four multiple housing lots on lot nineteen. The Housing Corporation has asked for five lots for 1977. This would leave nine trailer lots and three house lots for '77. That, should I think read '78.

During '76, January to August, there has been a net increase of about five units, trailers and houses, not counting the five house lots applied for by the N. W. T. Housing Corporation for 1976 construction which has not started to date. Federal D. P. W. has acquired three lots in '76 but construction has been delayed. The Fort Simpson Dene band has identified a need for housing and estimated requirements may be as high as one hundred and fifty units.

Q Those hundred and fifty units would be for the band you're referring to there?

A Yes.

Q That's apart from any other housing needs in the community?

A Yes. Rough estimates of the price per lot reaches \$20,000. This would be lots in the new subdivision, for standard lot, water and sewer lines, paved road, sidewalk and street lights. Related to this is the higher tax rate to cover operation and maintenance. On the other hand, a lot price of \$2,000.00 might supply a large lot,

Feilden, Roska, Bennett, Watsyk
In Chief

100' by 200', a gravel road, sidewalks and street lights. Homeowners would supply their own water supply and sewage disposal either through a well or water delivery and septic tank/disposal field or sewage pump out.

If fire hydrants are not provided, two problems might arise. What other arrangements can be made for fire protection. Would C. M. H. C. money be available? Related to this housing problem is the need for a realistic and unique northern Building Code. During the late 1950's and early 1960's houses were built of locally supplied squared logs. This was discontinued with the beginning of the Northern Rental Program, et cetera. The log lathe operation was experimented with and lately discontinued. Will C.M.H.C, the N. W. T. Housing Corporation and the Territorial Department of Economic Development finally look at the possibility of squared log construction which they each refuse to do since about three years ago. Another alternative may be naturally round log construction.

B. Allan Mackie in his book, "Building With Logs" outlines a complete construction system using logs which is gaining popularity but again he refers to financing not being available through C. M. H. C., unless changes occurred since the book was published in 1974.

Not mentioned so far are those other areas that will also cost a lot of money. They are listed here, the nine of them.

Feilden, Roska, Bennett, Watsyk
In Chief

1. Fire alarm system.
2. Dust control and/or paving.
3. Generation of electrical energy. I think that has received sufficient coverage in the press and on C. B. C.
4. Distribution system for natural gas.
5. Permanent D. P. W. dock.
6. A marina or boat ramp and float plane base.
7. River bank erosion. From the Mackenzie side we're losing a foot a year.
8. Roads to the new subdivision.
9. Paving of the Mackenzie Highway from the ferry, for safety. Now, this we feel will be one of the prime objects here for construction come the high volume of traffic with the pipeline construction.

MR. SIGLER: Thank you, Mr. Watsyk and as you mentioned, the capital budget estimate is attached to your paper and has been filed as well. Thank you for outlining the planning concerns of the village. Now, I'll ask you, Mrs. Bennett, to read in your paper pulling the microphone up to you first.

WITNESS BENNETT: This presentation pertains to projected housing requirements in the Town of Inuvik in the event a gas pipeline and auxiliary facilities are constructed.

Feilden, Roska, Bennett, Watsyk
In Chief

Information has been taken from the Makale General Plan Expansion 1973, Capital Budgeting Program for the Town of Inuvik 1973, updated to 1976, Mackenzie Valley Social Impact Study, Gemini North 1973 and Mackenzie Valley Community Impact 1975.

The current housing statistics were procured from Federal, Territorial, Housing Association and the Town of Inuvik records and 1975 statistics.

The brief past history of the Town of Inuvik. It was established in 1955 by the decision of the Federal Government that a key delta centre was needed. On what was once an unoccupied area, the town of Inuvik started to take form quite quickly into a planned, well developed center. Today Inuvik is in the process of gearing itself up even further for an expected influx of people to work on the various petro-chemical activities that will hopefully be centered in the Inuvik area.

Federal Government housing was started in 1957 with the construction of eighty row housing apartments and fifty detached houses. Further Federal Government and Territorial housing units have been constructed over the past nine years until at present we have a total of six hundred and forty-three government owned and government employee occupied residences.

During the early construction period, housing in the way of houses containing five

Feilden, Roska, Bennett, Watsyk
In Chief

hundred and twelve square feet was constructed in Inuvik for the native population which moved from the delta community, mainly Aklavik, to work at the building of the town.

Private home construction did not make its presence felt in Inuvik until the early 1970's when the town underwent a change of thinking. Some of the long time residents felt that Inuvik had a future as a non-transient town. Private home construction was continued on an average of approximately five units per year.

The current situation. The Federal Government employees housed in Federal Government-owned or accommodation leased from the private sector totals three hundred and sixty married quarters and a hundred and eight single person quarters.

The Territorial Government employees housed in Government of N. W. T. owned or leased units with the exception of casual labourers, totals sixty-nine married quarters owned by the Government of the N. W. T., twenty married quarters and fifty-four single quarters leased from the private sector.

The Town of Inuvik provides accommodation for senior staff and town-owned units. The town owns seven married quarters, ten single units. The town's policy is to lease the quarters that are not required for town personnel to the general public.

Feilden, Roska, Bennett, Watsyk
In Chief

Figures taken from the 1975
census indicate the following living quarters are
presently within the Town of Inuvik.

101 privately-owned residences
96 company-owned residences
85 mobile homes
4 apartment buildings
87 low-cost public housing units
29 single person units
10 senior citizen units

The town over the past two
years anticipated the demand for serviced residential
lots and is in the process of selling twenty additional
single family lots which can be purchased at this
time. In the spring of 1977, plans to offer for sale
an additional eighty residential lots and a further
ninety-six mobile home lots.

A major change in the thinking
of some of the Federal Government departments in
providing locally hired employees to occupy accommo-
dation previously reserved for employees hired from the
outside has helped to ease a very difficult situation
that has been evident in Inuvik for many years. The
policy of providing this housing is not a standard
policy with all government departments which I feel
it should be. If the housing is available, it should
be occupied and not left standing idle.

The Town of Inuvik's stated
position in the event of a gas pipeline being constructed
in regard to housing are:

Feilden, Roska, Bennet, Marie,
In Chief

1. Companies building the gas pipeline should base supervisory and other permanent staff in Inuvik.
2. There will be no satellite communities such as Parson's Lake area permitted to develop.
3. Suppliers of the hydrocarbon industry should be permanently based in Inuvik.
4. Residents of delta settlements who take permanent positions with the pipeline companies may choose to relocate in Inuvik and housing will have to be made available.
5. Work camps during the construction period should not be located in the town and pipeline workers should be discouraged from visiting the town wherever possible.

Feilden, Roska, Bennett, Watsyk
In Chief

To qualify that policy pipeline companies will acquire or build permanent residents for their personnel and it is probable that a considerable number of pipeline service companies will also acquire or build housing for their personnel. A shortage of housing already exists for single persons and young marrieds and this shortage will only increase with the demand on the available housing.

With the current occupancy rate of 8.63 persons per public housing unit an influx of persons seeking or obtaining employment with the pipeline industries from other delta communities will create a serious social problem as they will tend to camp with the current residents.

The recommendations -- Assuming a pipeline is to be constructed, the town will be required to make available approximately 1200 additional serviced residential lots. As stated previously, the town has or will have for sale by the spring of 1977 50 single family unit lots, 30 single or multi-family unit one acre lots and 96 mobile home lots.

Assuming the figure of 1200 serviced units being required, the town will be required to provide services to an additional 800 mixed units.

The town is presently developing land to the maximum of its financial limits in preparation for the projected increase in the event of a pipeline development, financial aid in the form

Feilden, Roska, Bennett, Watsyk
In Chief

of interest-free loans for development and land assembly programs must be provided by the senior governments.

If the housing policy of all senior government departments was changed so government housing was provided to locally hired persons, relief could be provided to the housing market of Inuvik.

If extra funding could be provided for public housing and single person accommodation and the town could receive all the units promised by the N.W.T Housing Corporation, relief could also be provided to the housing market.

An increase in funds that can be made available to private persons attempting to obtain a loan through C.M.H.C. or N.H.A. would assist in the development of more private housing.

The average cost of a single unit constructed in Inuvik is \$70,000 for a thousand square-foot residence. The breakdown of the \$70,000 is as follows:

\$13,500 for the serviced lot, 1,000 square feet at \$50.00 per square foot is \$50,000 and furnishings - \$6,500.

Present funding that can be obtained from C.M.H.C. is \$40,000 leaving a person \$30,000 to attempt to find through either a second mortgage or other sources. This amount of additional funding creates a deterrent to the individual homeowner.

Feilden, Roska, Bennett, Watsyk
In Chief

Another major deterrent to a home builder is the high cost of utilities. In some cases in Inuvik people have been forced to sell a new home before occupying it due to the high monthly utility bills.

In conclusion, in the event of a major development like a gas or oil pipeline taking place in the Inuvik area, extraordinary funding must be made available as cheaply as possible to the town so the normal amenities of water, sewer, heat, roads, street lighting, garbage pickup and recreation areas can be provided to all residents of Inuvik at a reasonable cost.

MR. SIGLER: Thank you, Mrs. Bennett. Next, Mr. Roska.

WITNESS ROSKA: This submission deals with transportation as related to proposed pipeline or other major developments in the Inuvik area.

In this presentation I wish to:

- (a) Review air, road, water transportation as it has been, as it is now, and hope it will be in the near future, the latter dealing with the anticipated major development of the Mackenzie area.
- (b) Ensure the orderly movement of personnel and goods over existing systems between N.W.T. and southern Canada centers, and within the Northwest Territories itself, while achieving reductions in fares, freight tolls as a result of increased volumes transported.

Feilden, Roska, Bennett, Watsyk
In Chief

(c) Suggest that a priority criteria be considered in the provision of transportation infrastructure required to meet anticipated increased demands, should be the functional value of the systems at the conclusion of the construction phase to the service of the Northwest Territories communities and the energy corridor.

In the founding years of the Mackenzie Delta settlements, the most economical means of transportation was the use of rivers and their tributaries as well as the Arctic Ocean itself. Generally speaking water transportation provided the life line between the delta communities and the southern suppliers, as well as links between the communities themselves. This means of transportation had, and still has, its limitations due to long periods of cold weather and freezing over of the rivers and streams.

Overland transportation was accomplished by the use of cat trains and dog teams as roads were nonexistent to the southern suppliers, or as links between the delta settlements. Movement of supplies and personnel was greatly reduced during this time of the year and during the fall freeze-up and spring break-up (which is approximately two months) the Mackenzie Delta communities were virtually isolated. Air transport at this time was extremely limited due to the cost, availability and prepared all-weather air strips.

Feilden, Roska, Bennett, Watsyk
In Chief

The gradual development of the Mackenzie area with sophistication of transportation equipment, has made the movement of personnel and goods to and within the Mackenzie area much more reliable.

By air Inuvik is serviced 8 times weekly by scheduled commercial airline from Edmonton and 3 times weekly by an airline from Whitehorse. Now, I have 12 times from Edmonton and 5 times from Whitehorse but this has been changed since the writing of this. The latter seems to be suffering from growing pains. In Inuvik itself there are a number of rotary and fixed wing charter firms which increase in numbers or decrease as traffic warrants.

There is also a regular air service provided to outlying settlements from Inuvik. In addition to this, some oil companies and D.N.D. fly their own aircraft to Inuvik from the south on a regular basis.

Roads in the Mackenzie area are usually confined to the settlements themselves with the exception of the Mackenzie Dempster Highway which links Inuvik, Arctic Red and Fort McPherson during that period that the Mackenzie River is frozen to facilitate a crossing as no ferry is available at present.

For the last few years Inuvik, Aklavik, and Tuk have been linked by an ice-road usually from the latter part of December to

Feilden, Roska, Bennett, Watsyk
In Chief

mid March, a result of the exploration industry
requiring the movement of bulky goods not readily
moved by air.

There are two major
companies involved in the mode of water travel --
one being a crown corporation which plys its commercial
services on the lower Mackenzie and along the western
Canadian Arctic coast with relatively little or no
competition. There seems to have been a large
up-grading of its facilities in the anticipation of
possible oncoming development.

Wasyk, Bennett, Roska, Feilden
In Chief

The other company providing service on the lower Mackenzie seems to be chiefly involved in the oil exploration industry and very limited in providing services to the communities in this area.

Some of the existing problems of transportation may be categorized as follows:

1. Lack of competition in the area;
2. High tariff and toll rates;
3. Lack of linking all-weather roads from the Mackenzie area and provincial suppliers;
4. High cost of road construction in respect to terrain and availability of granular material;
5. Overlapping of services provided to Inuvik by commercial, government, and oil companies.

When looking to the future, some of the potential problem areas may be:

- (a) That as a result of exigency and absentee management the needs of construction forces are given consideration over the ongoing servicing needs of the Northwest Territories communities and residents with the result that the cost of such unrelated, specific construction demands required are to be borne in part by the northern residents immediately and in the future.
- (b) Problems directly associated with increased traffic over all systems, which include air, water and road, should be identified and reduced or prevented, such as noise pollution and dust control.
- (c) Easier access to northern communities along or

Wasyk, Bennett, Roska, Feilden
In Chief

1 over improved transportation systems, particularly here
2 we speak of roads, by boomers and vagrants, petty
3 criminals looking for employment or action. Such
4 movements should be discouraged, hindered or prevented
5 through the application of existing or new legislation.

6 (d) The heightened and anticipated demand for granular
7 materials required for the development projects or
8 for federal and territorial road-building programs
9 should not be satisfied at the expense of communities
10 requiring the same granular materials for municipal
11 or settlement development projects, and improvement of
12 living conditions in northern communities. The
13 potential benefits and solutions may be realized when
14 planning by major contractors and government officials
15 in conjunction with community representatives to
16 determine how the requirements of a pipeline can bene-
17 fit each individual community and enhance existing
18 physical, economic and social environment of each
19 community; providing such planning is entered into by
20 individuals authorized to make decisions and commit
21 their organizations to mutually agreed upon objectives.
22 An example of this would be municipal or settlement
23 authorities and government and oil company executives.

24 . The increased demand for the movement of goods
25 and personnel should encourage competition in northern
26 transportation systems and permit federal regulatory
27 bodies grounds for the licencing of competing carriers
28 within one transportation mode. Such a benefit might
29 be realized more quickly and markedly if oil exploration
30 and development companies and the federal defence

Wasyk, Bennett, Roska, Feilden
In Chief

establishment's air transport requirements were satisfied increasingly by commercially scheduled and charter carriers licenced to operate in the Northwest Territories.

• A proliferation of carriers should be permitted thus reducing northern dependency on one transportation mode only, or on one carrier within a mode.

• The government and industry when moving passengers and goods between provincial and territorial points should optimumly use existing commercial carriers, thus contributing to reducing costs for such services borne by the general public.

• Northern community leaders, representatives, managers must be extended as much planning lead time as is politically and humanly possible to realize the greatest possible local involvement in the development activity with the least possible social disruption.

• During the construction phase of the pipeline project the freedom of mobility of vagrants and undesirables travelling on speculation into the Northern Territories may have to be curtailed to ensure the northern residents the right to quiet enjoyment of one's home and surroundings.

Q Thank you, Mr. Roska.

Mr. Feilden? I believe before you read your paper you wish to mention some figures that you had available that may help answer the question Mr. Scott asked Mr. Ganske earlier this morning.

WITNESS FEILDEN: Yes, thank you. I just want to mention that with respect to

Wasyk, Bennett, Roska, Feilden
In Chief

1 Mr. Scott's question about lists of projects and costs
2 for Inuvik particularly, and also for the other
3 delta communities. Such lists do exist, with respect
4 to municipal services and land development. Inuvik's
5 is a 10-year plan to a population of 10,000, and it
6 goes at three different growth rates, depending on
7 how rapidly the population may grow. It lists all
8 the municipal services and projects that would be
9 required to^a population of 10,000. It gives costs in
10 1976 figures and also costs extrapolated at a
11 presumed inflation rate of 15% per year, so each
12 project can be predicted to occur in a particular
13 year and also its likely cost at that time is
14 projected.

15 Q Perhaps you could
16 make a copy of those figures available to the Inquiry.

17 A Yes, I can.

18 Q O.K., I'd then ask
19 you to proceed and read your paper.

20 A Mr. Commissioner, this
21 submission describes the effect that construction of
22 a gas pipeline would probably have on municipal
23 services, and the cost of those services in communi-
24 ties in the Mackenzie Valley.

25 The impact that pipeline
26 construction is expected to have on the population of
27 the Towns of INuvik and Hay River and the Village of
28 Fort Simpson has been described to you earlier by
29 Mr. Lainsbury, of Stanley Associates. In order to
30 accommodate impact population surge, these communities

Wasyk, Bennett, Roska, Feilden
In Chief

would have to expand their water, sewerage and solid waste systems at a rate considerably in excess of the rate that would be necessary for normal growth. Rapid expansion of these systems would require large capital expenditures and would also generate increases in operation and maintenance costs.

The municipalities of the Mackenzie Valley are in favor of development of the hydrocarbon resources of the Mackenzie Delta, and of construction of a gas pipeline to the south. However, they are also of the opinion that the costs of expanding municipal facilities to accommodate future impact populations and the increased cost of operating and maintaining abnormally expanded facilities should not be borne by existing populations. The municipalities are also concerned that they do not under present funding arrangements have access to sufficient capital to keep expansion of their facilities abreast of predicted impact growth rates.

Of the Mackenzie Valley communities, Mr. Lainsbury's population forecasts indicate that the greatest and most rapid growth that pipeline construction would cause would occur in Inuvik. Accordingly, the Association of Municipalities wish to use Inuvik's situation to illustrate the consequences that forced growth may have on the cost of municipal services, and how existing taxpayers should be protected from the burden of those consequences.

Wasyk, Bennett, Roska, Feilden
In Chief

Government's water and sanitation policy, 1973, the government will grant to a municipality the full cost of constructing water supply facilities and sewage treatment facilities. Most of the cost of developing serviced land within the townsite and all of the cost of operating and maintaining all facilities are borne by the municipality.

Recognizing that the planning and construction of municipal services requires a long lead time, which will not be available if and when a decision to proceed with hydrocarbon development is made, the Town of Inuvik and the Territorial Government have jointly taken a number of steps toward preparing Inuvik for rapid growth.

Inuvik was originally designed for a maximum population of 2,500. The current population is approximately 4,000. Detailed planning of the townsite, up to a new design population of 10,000, was undertaken in 1972 and 1973, and planning has since been refined and kept current.

Following the 1972-73 planning and engineering studies, the government initiated several major water supply and sewerage projects. I might mention at this point that these are the projects in part that Mr. Ganske was referring to in earlier evidence. Each of these will improve service to existing residents, but each is also designed to serve or designed so that it can be expanded to serve 10,000 people. A 500,000-gallon reservoir for storage of treated water for fire-fighting

Wasyk, Bennett, Roska, Feilden
In Chief

1 daily peaking and emergency service, will be put into
2 operation late this year. A large (for Inuvik) water
3 filtration plant has been designed and probably will
4 be tendered for construction in 1977. It is intended
5 to add a clarifier stage to this filter plant within
6 two to three years, and to add a second 500,000-gallon
7 reservoir when the population reaches 6,500. Inuvik's
8 3,500-foot long main sewer outfall has been replaced
9 with piping of much larger diameter, and a new branch
10 outfall to serve the developing north end of town
11 has been constructed. Finally, tentative plans have
12 been made to replace the sewage lagoon which may be
13 too small for the present population, and which is too
14 close to the inhabited area with either a new lagoon
15 facility located further downstream along East Channel,
16 or with a biological treatment plant.

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Feilden, Roska, Bennett, Watsyk
In Chief

Now, I would repeat that these projects are the projects that the N.W.T. Government has undertaken or has funded.

The town has also been active in areas of municipal responsibility. Twenty lots in a new single family subdivision are now ready for sale. Work on the first half of a large mixed mobile home and high density subdivision has been underway since early in 1975, and construction is expected to be complete later this year. The second half of this subdivision and another subdivision for single family dwellings have been fully designed and could be tendered for construction on short notice. A dozen more residential blocks, utilizing nearly all of the vacant residential land within the existing townsite, have also been laid out.

Thus, Inuvik expects by the end of this year to be in a position to supply sufficient serviced land to provide sites for housing for up to 180 families. The town will also be able to carry out further expansions in an orderly manner, and with the greatest possible speed, which unfortunately isn't very fast.

The costs of achieving this position have been and continues to be quite considerable.

Capital expenditures by the Territorial Government on projects listed above are expected to total nearly 2.6 million dollars by the end of this construction season. Capital

Feilden, Roska, Bennett, Watsyk
In Chief

expenditures by the town for development of new residential lands having exhausted the town's permissible borrowing capacity of approximately two million dollars.

The cost to the town of / which servicing debts from residential land development, will continue until the town can retire debentures through sale of the new serviced land, are in the range of \$100 to \$120,000 annually. This cost would be even higher if the interest on outstanding debentures were to be calculated at the 1976 rate of just under 10%.

In addition the town will soon have to absorb the cost of operating and maintaining the new facilities presently being constructed under government grants. These costs probably will be in the range of \$15,000 per year on average for the new reservoir and \$30,000 per year for the filters plant. Addition of a clarifier to the filters plant will increase water treatment plant costs by an amount not yet calculated during the period of each year that the clarifier is brought into service. The annual cost of operating and maintaining the proposed replacement lagoon system would be \$42,000, while the corresponding cost for a biological plant would probably be \$250,000.

These increases in municipal operating costs are arriving well in advance of any offsetting increase in municipal population and municipal tax base. It is true that each of these major facilities is designed in part

Feilden, Roska, Bennett, Watsyk
In Chief

1 to serve normal growth populations but at the same time
2 each has necessarily been designed to be capable of
3 serving potential "impact" populations. Therefore,
4 today's taxpayers are now beginning to bear costs
5 arising from efforts to prepare Inuvik for the potential
6 impact of pipeline construction. This is exactly the
7 effect that the Association of Municipalities feels
8 must be offset by special consideration from senior
9 governments or industry.

10 Using Mr. Lainsbury's
11 projections, it is easy to show that if impact growth
12 occurs, then, under existing funding arrangements, the
13 growth burden on existing taxpayers will rise very
14 rapidly.

15 It has been noted earlier
16 that it normally takes two years or more to construct
17 a new subdivision. This is because it has been found
18 best when working over Inuvik's sensitive permafrost
19 soils to do the earthfilling, grading and road
20 construction work in one summer, and then to leave the
21 new fills alone for a season, while they settle and
22 stabilize. The utilidor is then constructed in the
23 second summer. This arrangement has been found to work
24 well for another reason: there is usually insufficient
25 time for both the earthwork and the utilidor contractors
26 to phase and complete their work during a single season.

27 From earlier discussions,
28 it will be clear that spreading construction of a
29 subdivision over a period of 18 months or so increases
30 the difficulty and cost of financing land development.

Feilden, Roska, Bennett, Watsyk
In Chief

During the first summer it is necessary to pay the full cost of the earthwork contract and possibly for the purchase of some of the utilidor materials as well. None of this outlay can be recovered until towards the end of the second summer, when sale of the completed lots can begin. The debt servicing charges to this point are a significant addition to construction costs, which incidentally are already quite high.

Mr. Lainsbury's forecasts indicate that Inuvik should expect to have to provide enough serviced land to grow by about 160 persons per year during the next five years, for normal growth, while if pipeline construction proceeds this rate is predicted to be nearly 600 persons per year. Assuming that Inuvik's new housing mix during the next half decade will be 35% trailers, 40% apartments, 10% single family houses and 15% row housing, it is estimated that the total weighted average cost of providing service land for new residents will be \$4,225 per person (1976 construction costs). Therefore, for a two to three year land development cycle, Inuvik would have to invest (and then recover later through sale of lots) 0.68 to 1.35 million dollars annually to keep pace with normal growth or 2.5 to 5.1 million dollars annually to keep pace with growth forced by pipeline activity. Interest charges would then be in the range of 65,000 to 130,000 dollars annually for normal growth and in the range of 240,000 to 490,000 annually for forced

Feilden, Roska, Bennett, Watsyk
In Chief

1 growth at today's interest rates. Therefore, forced
2 growth would increase Inuvik's interest charges by
3 about \$175,000 to \$360,000 annually or \$50.00 to
4 \$90.00 for every person now resident in Inuvik including
5 children.

6 It is contended that this
7 high cost of rapid growth is more than present
8 taxpayers could or should be expected to carry.

9 It also should be noted
10 that because of the long construction time, land
11 developments have to be initiated two years or more
12 before the people which they are intended to serve
13 actually arrive. However, if the predicted demand
14 for lots does not materialize about the time that lot
15 construction is completed then the town must retain
16 the development financing and the high interest
17 charges continue. An overestimate of population growth
18 rates therefore can have a very damaging effect on a
19 municipality's financial position, while an under-
20 estimate will cause great inconvenience to new
21 residents and their employing companies. Accurate
22 forecasting of growth rates and growth surges is of
23 great importance.

24 As has also been
25 indicated, the two to three year development cycle
26 greatly increases the amount of capital that a
27 municipality needs to have available for municipal
28 expansion. At the present time a municipality's
29 borrowings are not permitted to exceed an amount equal
30 to 20% of the total assessed value of municipal lands.

Feilden, Roska, Bennett, Wasyk
In Chief

For example, Inuvik's assessed value is now \$10,873,500 and Inuvik therefore is permitted to borrow up to \$2,175,000. If it takes two years to construct and sell each subdivision, then the greatest value of construction that Inuvik can hope to finance in any year, at current assessment levels, is just over one million dollars. However, if Inuvik's municipal development is to keep pace with projected impact growth rates, then, as has been noted earlier, Inuvik will have to have working capital of up to 5.1 million dollars.

The municipalities of the Mackenzie Valley are in favour of development of the hydrocarbon resources of the Mackenzie Delta. However, as has been described, they do not at present have all of the powers and resources that they will need to meet the challenges of rapid growth that such development would bring. The Association of Municipalities of the Northwest Territories therefore wishes to present for your consideration several recommendations which if accepted and implemented, would provide municipalities with part of the means of fulfilling their proper roles in the event that construction of a pipeline proceeds.

Wasyk, Bennett, Roska, Feilden
In Chief'

1 1. Population forecasting. Construction of municipal facilities cannot respond quickly to fluctuations
2 in demand levels. Furthermore, this is a most costly
3 aspect of municipal operations. Advance knowledge of
4 changes to population levels therefore is of primary
5 importance. Senior governments are asked to continue
6 and to intensify their efforts to provide municipalities
7 that may experience forced growth due to hydro-
8 carbon development with well-researched forecasts of
9 population.

10 2. Access to development capital. Construction of municipal facilities is costly, and requires access
11 to capital. At the present time the limits on debenture loans to municipalities from the Territorial
12 Government and the availability of those loans are
13 sufficient for normal growth, but are far below what
14 will be needed if a pipeline is to be constructed.
15 If hydrocarbon development is to proceed, then the
16 senior governments are asked to increase the limits
17 on debenture borrowing and to increase the amount of
18 loan capital available sufficiently and in good time
19 to allow municipalities to expand their facilities and
20 prepare for the population surges predicted as above.

21 3. Freedom from interest payments on impact growth
22 capital. It is usual for municipalities to pay
23 interest on capital borrowed to finance expansion of
24 municipal facilities. However, the amount of capital
25 that may have to be borrowed to finance facilities
26 for forced growth will be exceedingly large in relation
27 to resident population. The Association of Municipal-
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Wasyk, Bennett, Roska, Feilden
In Chief
Cross-Exam by Scott

ities contends that it is not logical nor equitable and most probably not possible for resident populations to bear these costs. The senior governments therefore are asked to make available to the municipalities the capital necessary for growth at rates over and above normal, interest-free.

MR. SIGLER: Thank you, Mr.

THE COMMISSIONER: Are there any questions? How are you fixed for questions?

MR. SCOTT: I have one or

MR. MACLACHLAN: I have no questions.

MR. SCOTT: I have just one
or two. Would you like me to deal with them now?

THE COMMISSIONER: Suit

MR. SCOTT: All right.

CROSS-EXAMINATION BY MR. SCOTT:

Q Mr. Feilden, your projection is based, I take it, on Mr. Lainsbury's forecasts that with pipeline development there will be 600 persons coming into Inuvik each year for permanent residence over the next five years.

A Yes, that's correct, more or less. His population forecasts, as I recall, don't go up at an even rate, so what I've done is taken his total growth for five years and divided it

Wasyk, Bennett, Roska, Feilden
Cross-Exam by Scott

1 by five to come up with an average number per year.

2 Q Yes, and when you've
3 taken an average then of 600, I take it?

4 A Yes, correct.

5 Q How many units is that
6 calculated to be in order to found your projection of
7 need?

8 A How many housing units?

9 Q Yes.

10 A I would work on a basis
11 of around 4.5 families, or 4.5 persons per family unit
12 on an average, so that would be in the range of a little
13 less than 150 units per year. The costs that I have
14 given there, though, are per person.

15 Q Yes. The costs to the
16 municipal ratepayers are per person.

17 A Yes, the cost of \$4,225
18 per incoming person is per person, man, woman and child.
19 Yes.

20 Q Well now, have you any
21 information or has the town any information which
22 leads us to conclude whether Mr. Lainsbury's forecasts
23 are conservative or not?

24 A No. Mr. Ganske gave an
25 opinion that some of the population forecasts show
26 too fast a rate for normal growth, and I would support
27 that opinion. In my own opinion the normal growth rates
28 shown by Mr. Lainsbury are too rapid, based on Inuvik's
29 recent experience during the past four or five years.
30 I believe that the pipeline growth rates he shows

1 may also possibly be too rapid, although that's very
2 hard to say.

3 Q Well, why do you think
4 they're too rapid?

5 A At the present time,
6 I can only speculate that that's the answer to that
7 question. At the present time the Inuvik Utilities
8 Planning Committee is using three rates of growth,
9 which were developed by the Mackenzie Delta Regional
10 Planning Committee of the Northwest Territories
11 Government earlier this year. One growth rate is the
12 event that no pipeline development proceeds at all,
13 in which case Inuvik's population is predicted to
14 decline initially and then gradually pick up at a
15 normal growth rate. The other two are various
16 levels of impact growth, and the medium level is
17 probably a little lower than Mr. Lainsbury, and the
18 rapid level is probably a little higher. But I would
19 say that the rate at which Inuvik will grow if
20 hydrocarbon development proceeds at the present time
21 is pretty speculative and that relates back to my
22 first recommendation that the governments intensify
23 their efforts to make good population projections.

24 Q So it's quite conceivable
25 it being speculative, that the 600 population averaged
26 over each of five years might indeed be low.

27 A It might be low, yes.

28 Q Well now --I'm sorry,
29 did I interrupt you?

30 A I was going to say one

Wasyk, Bennett, Roska, Feilden
Cross-Exam by Scott

thing, and that is whether it's low or high, the principle we're making here, the point we're trying to bring out remains the same, that is that the present funding arrangements aren't adequate to sustain a rapid growth rate, whatever growth rate that may be.

Q Yes. Now, on page 2 of your paper in the first full paragraph you recognize that planning and construction of municipal services requires a long lead time, which may not be available. Let me put this proposition to you. Let us assume that there is a four-year construction period for the hydrocarbon project that we're concerned with, and that no substantial private or municipal construction will be feasible during that period of time. What lead time is required before construction to put the municipal and other services in place that will be required by the end of the construction period? Do you follow the question I'm asking you?

A Yes, I do.

Q Assuming adequate financing and so forth.

A That would of course depend on how rapid you wish to spend money. The total cost of enlarging Inuvik to carry impact populations is many millions of dollars. I don't have a summary handy but the figure I could give would be in the range of maybe five years, in that order, and that would represent quite a rapid growth rate too, much more -- a much higher rate of expenditure than

Wasyk, Bennett, Roska, Feilden
Cross-Exam by Scott

1 is currently the case, and considerable stress on the
2 ability of Inuvik to grow in the terms of the con-
3 struction corridor that is there and other facilities.

4 Q So would it be fair
5 to say that on the assumption that construction will
6 take, let us say, four years, and that during the
7 period of construction there can be no major municipal
8 or other services provided, in order to meet the
9 Lainsbury prediction at the end of the construction
10 period you would need five years' lead time, conser-
11 vatively.

12 A Something like that,
13 yes. A number of years.

14 Q Yes. Well now, Mr.
15 Roska, on page No. 4 of your paper after you set
16 out the transportation requirements that you envisage
17 will be necessary, you say that,

18 "The northern communities must be extended as
19 much planning lead time as is politically and
20 humanly possible,"

21 and I take it first of all that that planning lead
22 time can only begin when the go-ahead for the pipeline
23 is given, not much concrete work can be done when it's
24 not known whether a pipeline is going to go ahead.

25 WITNESS ROSKA: Well, this
26 is true if there is to be any local participation
27 with transportation companies which are presently in
28 existence in our communities. If they are not given
29 any lead time at all --

30 Q No, but the point I'm

Wasyk, Bennett, Roska, Feilden
Cross-Exam by Scott

1 making is that there will be ^{no} elaborate expansion of
2 transportation facilities in the event that there is
3 going to be no hydrocarbon development, or no
4 pipeline, because there won't be any need to be served.
5 Have I got that right?

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Feildon, Roska, Bennett, Watsyk
Cross-Exam by Scott

A Yes, it is.

Q All right.

A They can't invest capital with no prospects.

Q So that the lead time you need really begins to count at the moment when the government finally says we're going ahead with the project?

A Right.

Q Okay. Now, how much lead time do you need after that go ahead?

A This would depend on how easily the transportation people involved wish to expand. It would depend on their arranging of finances. If they have to expand their existing businesses, they will more than likely require financial assistance. Now, this probably determines the major part of the problem. If the financial arrangements can be made very easily, say within six months, a year, then that's all the time they would require.

Q Well, I suggest to you that even if financial arrangements can be made, let us say within a year from the go ahead, that there will be at least a year or two required to put these facilities in place and make them operational.

When you've got your money,
you're only beginning.

A Right. This could be possible but it also depends into what extent our

local contractors and the transportation firms are in existence now, to what extent they wish to participate.

Q Well, now in paragraph F, you deal with the desirability of preventing movement into the northern communities and leaving aside the possibility of not completing the Dempster Highway, are there any other ideas you have for us as to how you're going to prevent Canadians from coming into Inuvik and the northern communities as they want to?

A Well, I'm not in a position to outline legislation or this type of thing but myself and other residents and the Council of Inuvik, we are very concerned with watching what has happened in other areas which are concerned boom areas and we feel that we should not make the mistake that other communities have allowed to happen.

We feel that we should learn by other people's mistakes. I think if we look at what has happened over in Alaska, I think it's quite obvious that one of the major problems over there is not the people who are working but the people who are looking for work and many of them have become very selective. They create a problem within the communities and then some of them have to be repatriated.

This creates a burden on the municipality.

Q I take it that you'd agree that not completing the Dempster Highway is one

way to deal with this situation.

A Well, I don't for one minute believe that to just cease construction on the Dempster Highway would alleviate our problem. I do not believe that we should stop development just on one issue such as this. I think the benefits of a highway are far greater than the problems that might be created of this nature and I think we have enough people and resources that we should be able to come up with something to alleviate this problem.

Q Has anybody on the panel any suggestions as to what we might come up with that would alleviate the problem that Mr. Roska has dealt with?

A Well, there are numerous suggestions been passed around but I wouldn't wish to discuss them at present time because I'm not sure that this is what the feelings of Council are. I mean, they would be just individual suggestions. But I'm quite confident that if our legislators and our governing bodies put their minds to it, I'm sure that they could come up with some sort of legislation or regulations that won't completely alleviate the problem but it sure as heck can reduce it.

I can't see that people who are maybe not even interested in working but are looking for action or come to the communities with a certain type of employment that they are looking for and they are willing to wait until this employment is made available to them and then in the event that

Feildon, Roska, Bennett, Watsyk
In Chief

they don't get this employment, have to be repatriated, this infringes on the communities to the extent that they should try and prevent this.

Q Does any other member of the panel want to make a suggestion as to how this problem might be dealt with?

WITNESS WATSYK: We have discussed this in Fort Simpson. We recognize it as being one of our main problems. We have the one road coming in now. We feel that the road from B. C. should also be completed. So, we'll be getting them from two sides and we will be the end of the road and the problem of people coming in for work and their freedom to travel, not having accommodation, they arrive at the end of the road and they present a problem.

Some of the thoughts were, well, there should be say a check point right at the border crossing or maybe at the Enterprise turnoff, or some other such sort of control situation or else the hiring be done say outside the Territories for people from outside the Territories.

We're not going to solve the problem though. An improvement of legislation could possibly be a step in the right direction but it almost seems that whatever direction we take, we're almost going back in history. The Great Wall in China was built. The Romans built walls. Berlin built walls. I don't know what form our wall will take.

MR. SCOTT: Those are all the

Feildon, Roska, Bennett, Watsyk
In Chief

questions I have. Thank you, Mr. Commissioner. Thank you, ladies and gentlemen.

THE COMMISSIONER: I don't think I quite got that. You know what form your wall will take.

A We don't know.

Q You don't know?

A No, we don't.

THE COMMISSIONER: Well, thank you very much, Mrs. Bennett and Mr. Roska, and Mr. Watsyk and Mr. Feildon. We appreciate your coming here and may I say that one of the tasks of this Inquiry is to try to predict the impact that the population and related development would have on the Mackenzie Valley and the delta and the communities of the valley and the delta and to recommend the measures that might be taken to lessen that impact and the recommendations that you've made, Mr. Feildon, and the other members of the panel have referred to, will certainly be useful to us and I really appreciate it.

So, thank you and I think we'll adjourn for a cup of coffee now.

(WITNESSES ASIDE)

(PROCEEDINGS ADJOURNED FOR A FEW MINUTES)

Taylor, Fergusson, Fogg

(PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT)

DONALD TAYLOR,

DONALD FERGUSSON,

DES FOGG, sworn:

MR. SIGLER: Yes, sir,

continuing then. First of all, I should mention that there's one paper that was prepared by Mr. Stewart, the mayor of the Town of Hay River concerning Axe Point and its relevance to the planning for Hay River. That has been filed as an exhibit with the Commission. It is a fairly lengthy paper and not proposing that it be read in at this time but perhaps we could do similarly as with some of the papers that Mr. Scott mentioned this morning, that if any of the other parties wished to cross-examine on that paper, we could do that at a later date.

THE COMMISSIONER: Yes, I have it in front of me. Mr. Stewart is dealing with the Axe Point situation, is he?

MR. SIGLER: That's right.

THE COMMISSIONER: So Mr. Scott, you might --

MR. SCOTT: I have seen that paper and I think if Mr. Sigler wants to file it as an exhibit I have no objection to that.

MR. SIGLER: That has been done.

THE COMMISSIONER: Yes, I think the only thing is that counsel for the two pipeline companies had better let us know if they

Taylor, Fergusson, Fogg

1 intend to cross-examine because they're the people
2 principally concerned about whatever Mr. Stewart may
3 say about Axe Point.

4 MR. SCOTT: Yes, and I think
5 it would be useful to point out if Mr. Sigler isn't
6 aware of it and perhaps he is, that in the transporta-
7 tion brief which is filed and which will be dealt
8 with following Mr. Sigler's evidence there is some
9 reference to the question of Axe Point and he may
10 desire to review that before that panel is called.

11 THE COMMISSIONER: Anyway
12 I'll take a look at this, this evening, Mr. Stewart's
13 brief.

14 MR. SIGLER: Thank you, I
15 should mention that Mayor Stewart is on a tour with
16 the Northern Canada Power Commission's board of
17 directors for which he is a member and for that
18 reason was unable to be here this week at the Inquiry.

19 THE COMMISSIONER: Well, that's
20 a very well-known and well thought of organization in
the north so --

MR. SIGLER: Well respected, sir.

21 On the panel that's
22 before you now, sir, we have representatives from the
23 Town of Hay River, have councillor, Don Taylor,
24 councillor Don Fergusson and Mr. Des Fogg who is
25 assistant to Mayor Stewart. Both Mr. Taylor and Mr.
Fergusson will read in papers that have been prepared
by the council. Mr. Fogg is available to assist with
any questions that may wish to be asked with regards

Taylor, Fergusson, Fogg
In Chief

to the Hay River situation generally.

THE COMMISSIONER: I don't
think I have got Mr. Taylor's paper. I have got
Mr. Lefebvre's.

MR. SIGLER: Yes, I should mention that earlier Mr. Lefebvre and Mr. Coutoreille were going to each present papers -- one on recreation and one on planning. Mr. Taylor is now presenting one paper that incorporates both. Mr. Fergusson's paper will be discussing recreation.

DIRECT EXAMINATION BY MR. SIGLER:

Q Mr. Taylor, you presently reside in Hay River. You moved to the Northwest Territories in 1963 and established Boreal Press Ltd. and the newspaper, Tapwi?

WITNESS TAYLOR: Correct.

Q It was initially located at Fort Smith but operations were moved in the fall of 1963 to Hay River where you continue to operate the business?

A That's right.

Q You first served on the Hay River town council in 1966 and you have been on the council intermittently since then for different terms of office?

A Yes.

Q And you're presently
on the town council?

A Yes.

Q You're past chairman of

Taylor, Ferqueson, Fogg
In Chief

the Town Planning and Development Committee and a member of the Vale Island Development Study Committee since its inception. Is that correct?

A Right.

Q Before moving north, you were employed by Canadian Press, the Regina Leader Post and radio and television station, CKCK in Regina?

A Yes.

Q Mr. Ferqueson, I believe your resume is contained actually in your evidence on the first page, I take it.

WITNESS FERGUSSON: That's correct.

Q Mr. Fogg, you're the special assistant to Mayor Stewart in Hay River, I understand?

WITNESS FOGG: Yes.

Q And prior to taking this position you were employed in the executive office for the Northwest Territories Government in Yellowknife. And how long did you work in that office?

A Six years.

Q Six years. Prior to moving to Yellowknife where did you reside?

A In New Brunswick.

Q Thank you. I'd ask you then, Mr. Taylor to read your paper.

WITNESS TAYLOR: This brief is a summary of lands and development planning in the Town of Hay River and the first section I am

Taylor, Fergusson, Fogg
In Chief

dealing with is the matter of land use.

The Town of Hay River

has grown from a population of 2,600 in 1969 to a population of 4,660 in 1974 and land development has increased accordingly. The total build-up area was 642.9 acres in 1969 and by February, 1974 this had increased to 880.6 acres.

During that period some 168 new dwellings and seven new apartments were constructed. A tapering in demand for residential accommodation in the past year or so has put the town in the rather unusual position of being slightly ahead of requirements for serviced residential land. At the moment there are 62 lots available for sale in Lot 553 area north of the Fish Plant, and 39 lots in phase one of the Southern Expansion Area. The town has in reserve a further 150 lots for single family dwellings and two multi-family sites in phase two of the Southern Expansion Area, in which the services can be installed on relatively short notice. The planning for that area has been done, been cleared, a go-ahead on construction and services can begin in very short order.

There have been 46 commercial building permits issued from 1969 through 1973 for a total value of \$2,575,815. This commercial development has taken place in the Central Business District or C.B.D. and in the highway commercial area in the new town. There were twelve new industrial permits for a total of \$2,583,796 from 1969 through

Taylor, Fergusson, Fogg
In Chief

1973. This industrial development took place on Vale Island and in the warehouse area in the new town.

Town council has decided recently that there is no need at the present time for a full time Development Control Officer. However, if the pace of pipeline or other development indicates that there is such need at some future date such a position can be defined and established.

At the present time, all servicing of lands is provided directly by the Town of Hay River and services lots are sold to land users. This leaves the town with a high degree of control over servicing standards and costs, and over the availability and cost of serviced land.

Fogg, Ferguson, Taylor
In Chief

However, if rapid growth occurs, this procedure may impose a heavy burden -- a heavy financial burden on the Town, in order to meet the demands for serviced land. An alternative procedure would be for the Town to enter into Development Agreements with private enterprise land developers. (I believe we're talking here in terms of industrial land development more so than private residential land development.) Such agreements would have to provide for conformance with the General Plan and any further operational planning carried out by the Town, for maintaining the Town's Servicing Standards, for provision of adequate land reserves for public use such as roads, streets, schools, parks, and recreation areas, and for sharing of the costs of development with the Town, the developer, and the Territorial Government.

While it is an objective of the Town to continue to provide directly for servicing and development of land, the concept of development by private enterprise will be kept in mind for use if the Town begins to experience serious financing problems, or if for any other reason this is deemed to be in the best interests of the Town.

In order to eliminate under-utilization, or non-utilization, of land designated for specific purposes, the Town has a procedure now for sale of developed or undeveloped lands to prospective developer's and bulders which requires evidence of substantial performance of the developer's

proposal before title of lands is transferred. This policy may also be amended to require performance deposits in some circumstances.

The Town of Hay River has the objective of ensuring that all lands held by senior governments will be transferred to the Town rather than sold or leased directly to users of the land. In this way the Town will retain control of tenure of the land, and thus exert a positive influence, in the Town's best interests in planning and land development.

That has been the practice pretty well followed in recent years and there is about only one exception to that, I think, and that is leasing by M.O.T. of commercial land on their airport reserve. I don't believe the Town wishes to get involved in that situation.

The Hay River Industrial Development Study indicates that probably the Town's objectives could best be realized by having administration of the Hay River Harbour under a Port Authority, and the Town will consider establishing such an Authority, as outlined in that Study. This relates to land use control, because the Port Authority will have to have control over those lands which are strategically essential to the development and operation of the Port.

In dealing with the matter of Residential Development, in 1973 there were approximately 833 dwelling units in Hay River as determined from the Town's assessment records and by field survey. The distribution and classification of these dwelling units and

Lord, Ferguson, Taylor
In Chief

a comparison with 1969 was examined and showed the following significant trends: One, there has been a significant change in Housing Mix as shown below: Single Family Detached dwelling have decreased in percentage from 81.7 in 1969 to 68.2 in 1973. During that same period, Mobile Homes have increased from 11.7 percent to 21.7 percent. Apartments have increased from 6.6 to 10.1 percent.

There has also been a significant change in location of Housing as shown below, and should point out there that we are talking terms of percentage of the overall total rather than in terms of re-location of housing units. For the New Town the proportion of housing has increased from 42.1 percent in 1969 to 63.6 percent in 1973. During the same period in the Old Town the percentage has dropped from 40.5 percent to 25 percent. The West Channel the percentage has dropped slightly from 9.3 percent to 6.2 percent and for the Indian Villages, from 8.1 percent to 5.2 percent.

Number three, there's been a strong preference for single family housing in both 1969 at which time the percentage was 93.4 percent and in 1973 at which time the percentage was 89.9 percent, but there is an evident trend toward increased apartment living.

The trend in overall housing mix is an important consideration in land use planning, because it helps to identify the quantity classification of residential land requirements.

Fogg, Fergusson, Taylor
In Chief

It should be pointed out that the trends mentioned above are dictated more by government policy decisions than by public preferences. Virtually all new housing starts have been confined to the New Town because of restrictions imposed by the Town and senior governments on residential development on Vale Island.

There has been no significant change in the number of dwelling units in the West Channel. With the decline in volume in the fishing industry, and with construction of the Fish Processing Plant in the New Town, the specific identification of West Channel with the fishing industry has been weakened. In the spring of 1974 serious flooding was experienced in the West Channel.

Despite these factors, the West Channel residents continue to have a strong sense of community and with the deterioration of the fishing industry have sought to have some alternate industrial activity established in that area. They have petitioned the council to designate a portion of the West Channel Settlement for industrial use and have suggested development of secondary port facilities in that area.

In the last several years there has been a significant barge and ship fabrication activity utilizing the waterfront docks in the West Channel.

Dealing with future residential needs: if there is an indication in 1976 that the pipeline will proceed, most of the available land for

Fogg, Ferqueson, Taylor
In Chief

residential development in the New Town East, that is the part which is currently developed, will be taken up by 1977. A program for making residential land available in the New Town West, that is in the area undeveloped yet to the west of the Mackenzie Highway, will have to be commenced as soon as pipeline start is announced. Construction experience and geotechnical investigation in these areas have shown that a lead time of at least two years is required for stripping, drainage, and recession of intermittent permafrost, before housing construction can be commenced.

The present housing mix in Hay River is as follows: Single Family units, 69 percent; Multi-family including apartments, 11 percent; and Mobile Homes, 20 percent.

This mix includes a very high component of single family detached housing (mobile homes are a special form of single family detached housing), by comparison with the experience in southern communities.

Although the cost of raw land is (at present) low in Hay River, the servicing costs are high and such a high component of single family units does not, at least in the opinion of the planners, constitute an economical housing mix.

This is a case where flexibility in administering the General Plan will have to be exercised. The pertinent parameter for District Outline Plan purposes is the overall density. Our planners suggest that in future development, the Town's

Fogd, Peterson, Taylor
In Chief

1 objective should be to move toward gross densities in
2 the order of 20 to 22 persons per acre.

Fogg, Fergusson, Taylor
In Chief

There has been a strong demand for country residential or acreage development. However, a virtual freeze by the government on such developments over the past ten years or so has limited the number of such holdings both within the town boundaries and in the area known as the Hay River-Enterprise corridor. The government is currently in the process of making a limited number of country residential lots available.

Turning now to the matter of commercial development, the demand for commercial facilities and land is related to the population they serve. In Hay River, the trading area is primarily the community itself. However, some retail trade is generated from communities such as Pine Point, Fort Providence and Enterprise. Local businessmen estimate that up to 10% of retail sales in drygoods and groceries are from out-of-town. This figure is higher for sales such as building supplies, since in this area Hay River acts as a distribution centre. The increased economic activity in the trading area and expanding population will increase the demand for retail services.

In order to assess the demand for commercial land and facilities the existing floor space was related to the permanent population and the developed commercial land. The permanent portion of the population was used to project the land and floor space ratios because it is considered a more stable and predictable growth measure than

Fogg, Fergusson, Taylor
In C hief

1 total population which includes transient or temporary
2 population.

3 I might just say on that
4 particular point that although there is a -- we have
5 a substantial number of what you'd call transient
6 people living in Hay River, and therefore they're
7 often not counted in census figures or in figures
8 compiled by planners and others, that when that
9 one group of transients go, there's invariably someone
10 else comes along to replace them so we're generally
11 faced with a floating population all the time, which
12 is largely transient.

13 The projections indicate
14 that over the next 20-year period up to 17 acres of
15 additional commercial land may be required. This is
16 not significantly different from the projected requi-
17 rements of the development plan completed in 1970,
18 but it does not take into account the impact of
19 pipeline activity.

20 The central business district
21 (or C.B.D.) is almost fully developed at present.
22 What vacant land does exist is either in the process
23 of development or has been committed for specific
24 developments and is not available for future develop-
25 ment. However, these developments can be considered
26 as partly satisfying the commercial land demand
27 before 1980, when the need for additional commercial
28 land will become critical. In order to provide
29 commercial land after 1980, the town has several
30 alternatives:

Fogg, Fergusson, Taylor
In Chief

- (1) It can expand the central business district to include the ball park, the arena, and the area between the Mackenzie Highway and Woodland Drive, and the area between the Mackenzie Highway and Woodland drive presently occupied by churches and a water reservoir, or
- (2) It can provide a new commercial area in the so-called western expansion area.

Hay River has been able to maintain a central business district that is not only aesthetically pleasing but also compact and efficient. The existing C.B.D. is well-defined and distinctly separate from other land uses. The developments within the C.B.D. complement each other and contribute to the strength and viability of the whole. A new commercial development in the western expansion area would inevitably detract from the strength of the existing C.B.D., would fragment the services provided and would create serious linkage problems between old and new retail centres.

Alternatively, the central business district can be expanded to include the ball park next to the Ptarmigan Inn, the arena and adjoining vacant land and the area between the Mackenzie Highway and the present water reservoir. This would add a total of 17 acres which is adequate to cover the town's needs until the year 1994.

The effect of pipeline activity on commercial development would be significant.

Fogg, Fergusson, Taylor
In Chief

To accommodate this kind of growth, the existing C.B.D. may have to be expanded somewhat beyond the extended boundaries discussed above. However, it would be possible to reduce the additional land requirements by more efficient use of land. This could include putting office space above-ground floor retail space, for example. If the ball park is used, it may be feasible to provide underground parking at the existing ground level which is below the safe level with respect to flood control -- flood danger. This would save a substantial amount of land for commercial development.

From the foregoing, it is evident that if the integrity of the existing C.B.D. is to be maintained, some major decisions on changing of land uses and relocation of facilities may have to be made, both with and without the additional impact of pipeline activity.

In view of the foregoing, the town has adopted the concept of concentrating all major commercial development in the central business district which is the existing commercial area. At the same time it is recognized that retention of the recreational core is highly desirable and should be continued as long as possible.

If the present form of commercial development, which is mainly one-storey or two-storey buildings, is continued, the C.B.D. will be filled very quickly and even the expanded C.B.D. may in future not contain sufficient area. Therefore

Fogg, Fergusson, Taylor
In Chief

a higher density of development in the form of multi-storey buildings might become necessary. On the other hand, this course, that is to say of increasing the density of the central business district, could cause severe problems with respect to parking and traffic, which are already serious.

Looking at the matter of highway commercial development, highway commercial uses are generally described as those that cater to the travelling public as well as truck and car servicing. These uses include motels, service stations, truck stops and automotive sales and repair centres.

All of the presently designated highway commercial areas are rather small and narrow. They do not really provide good sites for motel development. Because adequate visual exposure to the highway is necessary, and because the land requirement has been small, the areas have tended to be narrow. It may become desirable in future to make provision for highway commercial land use in a well-located, adequately sized and suitably shaped area.

The best opportunity for implementing such a provision is in the new town West. That is the proposed expansion area. The most suitable location is proposed at the north end of the new town West near the bridges.

There is at present no local commercial development in the new town. There will be a need for this kind of facility as the town

Fogg, Fergusson, Taylor
In Chief

continues to expand and particularly when residential development reaches significant proportions in the new town West.

Looking once again to Vale Island, the existing commercial development on Vale Island is highly fragmented and in many cases poorly located. The existing commercial land use will be retained for the time being with the understanding that specific areas can be changed to industrial use if and when this is required, and that new, more suitably located commercial areas can be designated in future as the need is indicated by the pattern of industrial development. In designating any new commercial areas on Vale Island, the major criterion will be that such a change is supportive of industrial development and does not impose any constraints on industry.

In Hay River, 30% of the total built-up area is devoted to industrial and quasi-industrial uses. In 1969 there were 75 acres devoted to such uses. During the past five years, land for these industrial uses has increased by 220% to 240 acres.

Since a large part of the transportation is water-based, most of the industrial development is on Vale Island and over half of the warehousing and storage is located there.

Fogg, Fergusson, Taylor
In Chief

The new town West contains an industrial district of approximately 100 acres, of which about 60 acres is presently developed. The district is located on the west side of the Mackenzie Highway and is well-serviced by rail and road. Now on the question of rail there is provision to put in spur lines when needed into certain of the industrial lots, but they are not currently serviced. The area caters particularly to light and service industries that do not rely on water transportation and do not have a high pollution impact on the environment.

The Hay River industrial development study has dealt in some detail with projections of potential industrial development and the effect on the need for industrial land and in response to this indicated need the general plan designates four major potential areas for industrial development.

Q If I could interrupt, sir, the general plan which includes that industrial study has been filed as an exhibit as well.

A The Hay River industrial development study deals with the matter of control of environmental pollution by industry, and the town will undertake the development and adoption of a set of environmental pollution control standards directed primarily at those industries identified in the Hay River industrial development study (or industrial matrix) as having a high or medium probability of occurrence. By designating alternative areas and by preparing environmental pollution control

Fogg, Fergusson, Taylor
In Chief

standards, the town will be in a position to assess and approve the industrial development proposals efficiently and in a timely manner.

The concept of the development plan incorporates some basic objectives:

1. Provides for the orderly expansion of the Hay River harbour, with initial development concentrated on Vale Island.
2. Provides for efficient functioning of the model interfaces, example rail to water and road to water.
- 3.

Provides designated land for industrial development and supportive commercial development.

The principal proposals are found on pages 35 and 36 of the general plan and the background and logic behind the proposals are presented in the Appendix 2 of the plan. It should be pointed out that the final draft of the development plan has not yet been considered or adopted by Town Council. This procedure is tentatively scheduled to take place early next month. Thank you.

Q Mr. Fergusson?

WITNESS FERGUSSON: Mr. Justice Berger, my name is Don Fergusson, councillor in the Town of Hay River, and I would like to speak to you on the subjects of recreation, education, health and welfare, and planning and municipal services in relation to the Town of Hay River and the proposed Mackenzie Valley Pipeline.

I have been a resident of the

Fogg, Fergusson, Taylor
In Chief

1 Northwest Territories for the past 16 years and have
2 no interests outside the Northwest Territories. I
3 completed my education in Ontario, specializing in
4 building construction and engineering. I worked as a
5 journeyman plumber and master plumber, later as a
6 supervisor and I also worked as a salesman. When
7 coming into the north I hired on with Northern Affairs
8 & Natural Resources of the Federal Department, and
9 was placed in charge of their Mechanical Regional
10 Maintenance Division in Frobisher Bay in 1961. I
11 transferred to the Mackenzie Region in 1965 and left
12 government service in 1967 to move to the Town of
13 Hay River.

14 I am the builder and owner
15 of the Caribou Motor Inn Motel, lounge and restaurant
16 in Hay River, and partner in Pelican Rapids Inn in
17 Fort Smith. I have been active over the past several
18 years in service clubs, including Kiwanis, Lions and
19 Chamber of Commerce, and am president of the Northwest
20 Territories New Democrats, and past-president and
21 coach of the Hay River Competitive Swim Club.

22 During my stay in the North-
23 west Territories I have travelled and worked extensively
24 throughout the Eastern Arctic and Great Slave and
25 upper Mackenzie region.

26 The present Town of Hay River
27 has grown from an isolated trading post and summer
28 encampment into a modern town of over 4,000 people
29 with the largest growth taking place over the past ten
30 to 15 years. This growth was spurred by the construction

Fogg, Fergusson, Taylor
In Chief

1 of the Mackenzie Highway from Alberta in 1948, and
2 later by the construction of the Northern Alberta
3 Railway terminating in Hay River.

4 Fishing, transportation,
5 communication are the mainstays of the Hay River
6 economy, with transportation by far the largest
7 money-earner for the town.

8 The town has had two serious
9 floods on Vale Island, one in 1959 and the other in
10 1963. These floods were instrumental in having the
11 town relocate the majority of its residential and
12 commercial establishments to the mainland and the town
13 was afforded a unique opportunity to plan its
14 growth from that beginning.

15 The initial planning in the new
16 town was carried out in 1963 by the Central Mortgage
17 & Housing Corporation, and the Federal Department of
18 Public Works constructed roads and drainage for approxi-
19 mately 140 residential lots. This plan covered the
20 district east of the highway from the Hay River to
21 Riverview Drive and Nahanni Road.

22 Immediately after the 1963
23 flood, a study was made of the methods, costs, and
24 cost-benefit ratio of providing protection on Vale
25 Island against damaging floods. The conclusion was
26 reached that it was generally too costly to protect
27 residential development on Vale Island, but that
28 protection for commercial and industrial property
29 was economically justifiable. This confirmed the
30 wisdom of the decision to develop a new residential

area on the mainland.

In 1964 a preliminary engineering study was made of the feasibility of providing waterworks and sewerage in the new residential area on the mainland (Mainland subdivision 2), this is a note, preliminary engineering report on water and sewer systems for the mainland subdivision, 1964, Stanley, Grimble, Roblin Ltd. This resulted in authorization to proceed with construction of the water and sewer systems in the mainland sub-division. Construction was started in the spring of 1965 and completed in the spring of 1967.

In the fall of 1964, a town plan was prepared for all the area east of the highway and south of the mainland subdivision (River-view Drive and Nahanni Road) to the point where the highway and the Hay River pinch out this area. While a commercial area has been designated by C.M.H.C. for the mainland sub-division, it became apparent by 1964 that the design was not appropriate or adequate for the enlarged needs of the town, and also that ground conditions prevented early development in the designated area. The 1964 town plan incorporated a well-defined central business district with adequate space and provisions for the various future commercial needs for the town.

Growth of Hay River was again accelerated by the building of the Great Slave Railway connecting Pine Point with the Northern Alberta Railway from Alberta. This further established

Fogg, Fergusson, Taylor
In Chief

Hay River as a transportation centre. Prior to the building of the Great Slave Lake Railway, water transportation into the Mackenzie corridor started at Waterways, Alberta, with secondary port facilities located at Fort Smith, Northwest Territories. With highway and rail connecting at Hay River, the town has become the major port for water transportation to the expanding north.

By 1969, it was apparent that the land available for residential development between the highway and the river would soon be used up, and that new potential development areas must be found. The 1964 town plan had been expanded to provide an industrial area west of the highway and the railway, and this was undergoing development. The central business district was well-established and about 50% developed. Residential sub-divisions had been extended to the south.

In 1970 the development plan 1970 was completed and adopted as the general plan for the Town of Hay River. In this plan, new development areas were considered, including the east mainland across from the new town and the east mainland immediately south of the Indian Village. Also considered was the area west of the new town. A major question was whether or not the residential development should be continued on Vale Island. On this issue the main considerations were identified as proximity to the various industries, the cost of providing adequate servicing, and the cost of

Fogg, Fergusson, Taylor
In Chief

1 protection against flooding. As a result of the studies
2 carried out it appeared the best potential for new
3 development area existed on the mainland across
4 the Hay River from the new town. However, a more det-
5 ailed investigation later revealed that this area
6 was too low-lying, might also be subject to flooding
7 and that the ground conditions were poor. More
8 important, it became apparent that the resolution
9 of the question of Indian ownership of this land
10 could involve a long delay.

11 In 1970 the Mackenzie
12 Valley Pipeline was an idea; some work was being done
13 in it, but it was too far off in time to be considered
14 a serious influence in the development plan. By
15 1973, this had changed significantly, and pressures
16 for industrial land and particularly for water front-
17 age related to the anticipated pipeline construction
18 were being experienced in the town. The development
19 plan 1970, while still relevant in many respects,
20 did not provide direction in two important areas.

Fogg, Fergusson, Taylor
In Chief

It did not provide usable new development areas for immediate residential needs, and it did not provide for the anticipated impact on population, land use requirements and services in the town, due to the Mackenzie Valley Pipeline construction.

It was apparent that an update of the general plan was required and that some specific study of industrial development in Hay River was needed. The review and update of the development plan 1970, and the Hay River Industrial Development Study were commissioned to meet these needs.

The Town of Hay River has adopted the planning process as an essential element in its growth strategy. Studies have been carried out whenever there was need to provide guidance in making growth decisions, and the policy and guidelines arising from these studies have been used consistently and effectively in executing and controlling growth. The results of this commitment to planning are evident in the town.

On the physical infrastructure of the town includes waterworks, sanitary sewage, drainage, transportation, solid waste disposal, electric power, lighting, heating, communications and fire protection.

Under the general heading of municipal services: In 1974 about 63% of the permanent population of the Town of Hay River was served directly by the waterworks and sewage system. It is the town's objective to increase this to 90% or

Fogg, Fergusson, Taylor
In Chief

95% by 1979. These services are provided generally to an acceptable standard at the present.

The existing physical infrastructure systems require upgrading and expansion to accommodate growth in the town. The specific and detailed proposals for physical infrastructure expansion are listed in the Seven Year Capital Development Plan of the 1975 Hay River General Plan. Appendix 1 - Research and Analysis.

On other services: Other services in the physical infrastructure include solid waste disposal, electric lighting and power, heating, and communications. With the exception of heating, these services are provided by agencies other than the town, and are generally to an acceptable level of service.

Consideration should be given to providing a municipal gas distribution system for heating. This could be initiated as a propane air system utilizing central storage tanks for the gas and later converted to natural gas if it becomes available economically. An engineering study of these possibilities is warranted.

On fire protection: At present the fire protection system is manned by a twenty-seven man volunteer fire brigade, headed by a fire chief. They are assisted by a fire and building inspector on the town staff. The addition of the inspector has materially lessened the work load of the voluntary brigade by relieving them of the work of

Fogg, Fergusson, Taylor
In Chief

1 periodic community wide inspections of buildings for
2 fire hazards and compliance with fire regulations.
3 Volunteer brigades are successfully providing skilled
4 manpower for fire protection in communities with
5 populations of 10,000 and over. However, in the
6 larger communities, say over 5,000 population, it is
7 probably necessary to have a permanent fire chief
8 on the town staff to provide management and co-
9 ordination.

10 In the future, a new fire
11 hall will be built in the New Town West, at a location
12 determined in the District Outline Plan for this area.

13 Fire protection for the
14 industry on Vale Island is a matter for special
15 consideration. Basic protection is provided by the
16 town, but the industries have incorporated fire
17 fighting capabilities specially suited to their type
18 of operation into their development plans. With
19 increased industrial development, the town will probably
20 have to increase its fire fighting capability on
21 Vale Island. This will include providing more
22 equipment, more hydrants and increased transmission
23 capacity to the water distribution system. Con-
24 sideration should also be given to provision of a fire-
25 boat.

26 Finances and capital
27 programming, finances: Analysis of the town's
28 per capita assessment shows an average increase of
29 12% per year between 1965 and 1970. In that year
30 reassessment took effect and resulted in a 58% increase

Fogg, Ferqueson, Taylor
In Chief

in total assessment and a 54% increase in per capita assessment. Since 1970, the annual average increase in per capita assessment has been 4%. In 1975 a general reassessment took effect and resulted in a 111% increase in total assessments and an 82% increase in per capita assessment. In 1975 the total assessment was \$31,049,980.00. The population was 4,100 and the per capita assessment was \$7,573.00.

On the basis of the population projections of permanent population, and an average increase in per capita of assessment of 4%, the assessment over the seven year period of 1975 to '81 inclusive is projected.

In 1975 the per capita assessment was \$7,573.00. In 1981 the projection is \$10,148.00. Projected population over the six year period of 4,100 people to 4,900. The total assessment would go from \$31,049,980.00 to \$49,700,000.00. Taxable assessment in 1975 would be \$20,414,620.00 to 1981, \$32,800,000.00.

The 1975 figures are actual figures obtained from the Secretary-Treasurer of the Town of Hay River. In 1975 the taxable assessment was 66% of the total assessment and this ratio is assumed to pertain throughout the seven year program.

In 1975, the municipal rate was 17, and the business tax was discontinued. Assuming that this municipal mill rate can be maintained, the annual revenue from taxation can be projected. The portion of total revenue obtained from taxation for

Fogg, Fergusson, Taylor
In Chief

municipal purposes was 28% in 1973; 29% in 1974; and was projected at about 30% through the seven year program. On this basis the total annual revenue of the town can be projected as follows:

For the year 1975, taxation for municipal purposes would be \$347,000.00. In 1981, \$558,000.00. Total annual revenue, 1975 would \$1,157,000.00. 1981, \$1,860,000.00. In annual per capita revenue, 1975 was \$282.00. 1981, \$380.00.

THE COMMISSIONER: We'll adjourn until 1:30.

(EVIDENCE OF J.A. BERGASSE MARKED EXHIBIT 801)

(QUALIFICATIONS & EVIDENCE OF T. FORTH MARKED EXHIBIT 802-A)

(ALYESKA TRAINING PROGRAM MARKED EXHIBIT 802-B)

(QUALIFICATIONS & EVIDENCE OF J.R. WITTY MARKED EXHIBIT 803)

(QUALIFICATIONS & EVIDENCE OF F. CARNEW MARKED EXHIBIT 804)

(QUALIFICATIONS & EVIDENCE OF R.P. STERLING MARKED EXHIBIT 805)

(EVIDENCE OF G.R. GATES MARKED EXHIBIT 806)

(QUALIFICATIONS & EVIDENCE OF A.E. GANSKE MARKED EXHIBIT 807)

(MUNICIPAL LANDS & TOWN PLANNING MARKED EXHIBIT 808)

(QUALIFICATIONS & EVIDENCE OF O. WATSYK MARKED EXHIBIT 809)

(QUALIFICATIONS & EVIDENCE OF MRS. C. BENNETT MARKED EXHIBIT 810)

(QUALIFICATIONS & EVIDENCE OF J. ROSKA MARKED EXHIBIT 811)

(QUALIFICATIONS & EVIDENCE OF R. FEILDEN MARKED EXHIBIT 812)

(TOWN OF INUVIK CAPITAL WORKS PROGRAM MARKED 813)

(PROCEEDINGS ADJOURNED TO 1:30 P.M.)

Fogg, Fergusson, Taylor
In Chief

(PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT)

1 MR. SCOTT: Before my friend
2 begins, I would like to tender as an exhibit a report
3 which I'm circulating to the participants entitled,
4 "Assessment of Environmental Protection Activities on
5 the Mackenzie Valley Gas Pipeline Project" and it is
6 a report prepared for Environment Canada by a firm
7 known as Templeton Engineering Co. of Winnipeg,
8 Manitoba. Copies will be provided to all my friends.

9 MR. SIGLER: We're at page 7
10 of Mr. Fergusson's evidence when the power failed.
11 At the start of the page, Mr. Fergusson had just given
12 the projection of total annual revenue for '75 to '81.
13 He was just getting to the point of talking about the
14 outstanding debenture debt.

15 WITNESS FERGUSSON: Mr. Berger,
16 if you would like I'll start from the general funds.
17 Debentures outstanding on general funds is \$531,674;
18 per capita debt, \$150. Residential development fund --
19 \$398,815; per capita debt -- \$113. In the utility fund
20 it's \$178,133; per capita debt is \$50. Industrial
21 commercial development fund \$215,379; the per capita
22 debt -- \$61. For debentures outstanding total of
23 \$1,324,001 and a per capita debt total of \$374.

24 In 1974, the outstanding
25 general debenture debt was 3.6% of the total assessment
and 5.6% of the taxable assessment. The debenture debt
in the remaining funds is expected to be self-
liquidating. The foregoing information can be used in
designing the Capital Development Program.

Fogg, Fergusson, Taylor
In Chief

Under capital

programming, the projected expansion of infrastructure and the cost is demonstrated in the Seven Year Capital Development Program of the general plan which is outlined in detail in Appendix I -- Research and Analysis.

These estimates of capital expenditures for physical and social infrastructure expansion have been combined in a summary of the Seven Year Capital Expenditure Plan shown below.

Q I don't think you have to read in that chart that is there showing --

A If you like, this information is available in the general plan but I'll just briefly outline 1975, the Territorial Government input was \$3,790,000 and in 1981, it will be \$1,760,000 for a total over these years from '75 to '81 of \$16,602,000 and the Town of Hay River's portion for the total for 1975 to '81 is \$9,781,000 and a grand total of \$26,383,000 for both the Town of Hay River and the Territorial Government on proposed capital expenditures.

In the foregoing no provision is made for redevelopment on Vale Island. Such development is difficult to project reliably, and the capital debt will probably be self-liquidating.

Most of the capital cost of local improvements will be recovered through sale of residential, industrial and commercial land.

Fogg, Fergusson, Taylor
In Chief

There may be justification for charging a substantial portion of the local improvement cost of pavement and drainage to general revenue, and it is proposed that 60% be so charged. It is also proposed that 100% of firehall cost will be charged to general revenue. On this basis, by 1981, the general debenture debt is projected to be about \$2,200,000. This constitutes 4.4% of the projected total assessment and 6.7% of the taxable assessment. These ratios are close to those pertaining in 1975 and represent a health financial situation.

Over the past few years, the town has been in a continuing process of planning and implementation of the main core of services required in a modern community, such as primary and secondary schools, library, service industries, transportation facilities, docks, fish plant, housing, sewer and water and road construction. The capital expenditures required have been enormous for a town this size, but there has been relatively little adverse effect on the town during the changes since planning had gone into it prior to implementation of the projects and we had, in most cases, the answers ready before the problems arose.

This year the town sanitary sewerage system is being completely revamped at a cost of over 2½ million dollars and plans and consultations are well advanced for the upgrading of the water system next year at a cost of over 5½ million dollars.

Fogg, Fergusson, Taylor
In Chief

This is reflected in
the figures on the previous page.

This will include a new
water intake, pumphouse and transmission lines which
when completed in 1977, will provide the town with a
sewer and water service capable of handling the
forecasted population increase over the next 20 years;
with or without a pipeline development.

Storm trunk sewers,
ditching and drainage and paving for existing and
planned expansion areas are also underway. In
general, the town is capable of handling with existing
services and those now in the final stages of approval,
any forecast population increase in the event of
pipeline development.

We have planned for that
possibility and are preparing ourselves for it.

On the subject of
recreation there are two developed parks in the new
town -- a small playground with a slide, swings, and
teeter-totter, and the ball park in the central business
district which also has tennis courts. There is 2.4
acres of land in the new town that could be developed.

There is provision for
two parks in the southern expansion area, a large
park reserve between the school site and the river and
a small playground site. This is presently being
developed by the Lions Club. When this area is fully
developed in 1979, it will have a population of
approximately 1,300 persons.

20670

Fogg, Fergusson, Taylor
In Chief

The ravine land east of the existing schools is being cleared and developed as a picnic and walking area by draining and filling and is a definite asset to the community recreation areas.

The arena, built in 1969, contains a hockey rink, dance hall, 20 yard swimming pool, heated and a three-sheet curling rink with artificial ice, and serves the present needs of the community.

The schools provide indoor space for various arts and crafts programs. A survey by the Recreation Department showed that 40% of those surveyed made use of programs offered through the Department of Education.

The parks on Vale Island consist of a small playground in West Channel, and a large 45 acre campground and a beach area along Mackenzie Drive in the old town. With expanding industrial development on Vale Island, the campground, and some of the existing beach area will be eliminated as recreational land. Future plans of the town include development of a large park area to the west of West Channel, and on the south shore of the lake for recreational purposes, to compensate for this.

The West Channel contains a 2.7 acre playground with swings, slides, etc. This is operated by the Kiwanis Club of Hay River.

There is potential for development of lake front picnic grounds and parks,

Fogg, Ferquesson, Taylor
In Chief

1 all along the north shore of Vale Island, from West
2 Channel to the harbour. This area will be zoned for
3 park and recreational use and must be given
4 consideration for early development.

5 New areas of park and
6 open space must be incorporated into district outline
7 plans for the new growth areas in the new town west.

8 It is important to ensure
9 that the development of recreational facilities does
10 not lag too far behind growth expected in the town.
11 The new residential areas will have adequate land for
12 recreational purposes but more than just open space
13 is needed. To meet this need a parks and recreation
14 development plan will be formulated, set into an
15 appropriate schedule, and provided with a budget for
16 implementation.

17 The development of the
18 park and beach area on the shore of Great Slave Lake
19 west of the West Channel, should be undertaken soon,
20 so that the existing beach and campground on Vale
21 Island can be phased out and the land converted to in-
22 dustrial use as required.

23 On education, the system
24 in Hay River provides elementary and high school educa-
25 tion. At one time there was a separate school system
26 but enrolment gradually decreased until in 1969 the separate
27 school system was integrated into the public system.
28 There is busing both ways between the various schools
29 to avoid duplication of facilities as much as
30 possible.

Fogg, Fergusson, Taylor
In Chief

There is a relatively high drop-out ratio in Hay River. One reason for this may be that the school system is not properly catering to the needs of the students. Since employment opportunities in Hay River are largely of a technical nature, there is a need for technical and vocational training in the school system. Presently there is little room in the schools for such training. Future plans should probably provide for vocational and technical training facilities. Such a facility is provided, for regional purposes, in Fort Smith, but this does not meet the specific needs in Hay River, either as to course content or ready accessibility.

For purposes of projecting classroom needs, the ratios of students to population, at different levels of education were developed and applied to population projections. The projections of need for additional classrooms is shown in the general plan. In 1994--it goes from the year 1979 to 1994. Kindergarten to grade three normal. Without pipeline would be seven. With pipeline ten. In grade four to seven normal. I'm sorry, I'll have to read this whole right from 1979 through 1994 because these are additional classrooms to those that we have at present and the year in which they would be needed.

1979. Kindergarten to grade three: normal growth would be three. Classrooms required with a pipeline would be eight.

1984. Four would be required under normal growth. With a pipeline, nine.

Fogg, Fergusson, Taylor
In Chief

1 1989, six with normal growth
2 and eight with a pipeline.

3 1994, seven and ten in the
4 event of a pipeline development.

5 Grades four to seven: Normal
6 growth would be eighteen required by 1979. With a
7 pipeline, twenty-three.

8 1984. Normal growth would
9 be four. With a pipeline, ten.

10 1989 would be six on the
11 normal growth. Eight with a pipeline.

12 1994 would be eight required
13 and ten with a pipeline.

14 Grades eight to twelve. No
15 more classrooms would be needed under normal growth
16 until 1989 when four would be required. With a
17 pipeline in 1979, one would be required. 1984,
18 eight would be required. 1989, seven would be
19 required. In 1994, under normal growth, seven
20 classrooms would be required and with a pipeline,
21 eight.

22 In 1979, eighteen classrooms
23 would be required to accommodate grades four to seven
24 and an additional four classrooms by 1984, assuming
25 normal growth. It is expected that within a seven
26 year period of the Capital Development Program,
27 educational facilities would be expanded by the
28 addition of the following:

29 By 1977, Kindergarten to
30 grade three, eight classrooms. Grade four to grade

Fogg, Fergusson, Taylor
In Chief

1 seven, twenty-six classrooms. Grade eight to grade
2 to grade twelve, one classroom; for a total of twenty-
3 five new classrooms and this includes the replacement
4 of there classrooms in the Vale Island schools.

5 By 1981, Kindergarter to
6 grade three, nine classrooms required. Grade four
7 to seven, ten classrooms. Grade eight to twelve,
8 eight classrooms for a total of twenty-seven.

9 Provision will also have
10 to be made for the addition of teaching staff
11 commensurate with the educational needs and facility
12 expansion.

13 The program for expanding
14 educational facilities should be reviewed continuously
15 in the light of the most current developments in the
16 educational field. Changes in methods and approaches
17 to educational needs could render obsolete or in-
18 appropriate the facilities which are projected herein
19 as being required under current educational practice.
20 If this occurs, the program, of course, must be
21 altered.

22 Presently there are two
23 areas reserved for school uses. There are five acres
24 in the South Expansion Area and another site in the
25 New Town East. Space for school facilities should also
26 be provided in the new West Expansion Area. The
27 specific location for schools in the Western Expansion
28 area is a matter which has to be dealt with at the
29 District Outline Plan, middle range planning level.

30 Under Health and Welfare:

Fogg, Fergusson, Taylor
In Chief

1 Health services in Hay River are centered in the newly
2 names Hay River Health Center and the Public Health
3 Center, the latter to be relocated at the Hay River
4 Health Center in the spring of 1977. This health
5 center is still known as the H. H. Williamson Memorial
6 Hospital. The hospital is now in the final stages
7 of a major construction program which will provide
8 fifty general hospital beds and ten beds for outpatients
9 and emergency. This could be increased by another
10 ten beds if and when required, such as in the case
11 of pipeline development.

12 The hospital has upgraded
13 its diagnostic X ray room, now has a fully equipped
14 and more sophisticated laboratory and has the capacity
15 to provide services for eight to ten doctors. There
16 are presently, I believe, four or five on staff.

17 Eye clinics and other
18 specialists come to Hay River on a regular basis and
19 the hospital will service the Great Slave Lake southern
20 region as a referral hospital.

21 Psychiatric services or
22 facilities are not directly available in Hay River and
23 this causes the medical staff some difficulty in that
24 they have to deal as best they can with cases of
25 threatened suicide, emotional disturbances, alcoholism
26 and addiction. Such cases occur with sufficient
27 frequency that this need should be given serious
28 consideration.

29 The town's Public Health
30 Centre was built in 1963 in the Old Town where the most

Fogg, Fergusson, Taylor
In Chief

critical health problems were encountered. It was later removed into the Commercial Center in the New Town. The center deals solely with outpatients, and is particularly concerned with public health programs including school visits, child care, including pre-natal and post-natal clinics, and the treatment of communicable diseases. The center accommodates a staff of three public health nurses, a clerk, a health worker, an environmental health officer and visiting doctors.

A Children's Receiving Home is located in the New Town. This caters particularly to children under sixteen years of age, but service can be extended to wards up to eighteen years old. The home accommodates a variety of children including children for adoption; apprehended children, under the Child Welfare Ordinance; children of non-ward care due to poor health or inability to provide care on the part of the parents; temporary or permanent wards awaiting placement in foster homes; children for observation for possible referral to special educational and treatment centers; children in transit to or from hospital; and transient youths.

The maximum capacity of the home is thirty-six children, although it is better capable of handling only twenty-four. Staff is expected to rise to eleven, including a properly qualified superintendent.

Hay River is generally well supplied with health and welfare facilities and services.

Fogg, Fergusson, Taylor
In Chief

1 As the need for additional facilities or services
2 arises, or relocation of existing facilities is
3 considered, detailed study of locational requirements
4 and possibilities should be made to ensure that
5 suitable locations are chosen in relation to demand
6 and the effects on neighbouring land uses, and that
7 adequate standards are maintained.

8 In general terms, I feel that
9 the Town of Hay River has provided itself with the
10 information necessary to implement an orderly
11 development with or without a pipeline. However, the
12 initial impact could still be difficult to cope with
13 unless sufficient lead time is given and financial
14 and social resources are made available.

15 There is a general feeling
16 among many people of the town and of the north in
17 general that the pipeline in the long run may not
18 benefit the town or the people of the Northwest
19 Territories a great deal unless the senior governments
20 are prepared to provide assistance in large doses
21 prior to, during, and after the completion of the
22 project, and unless real economic benefits such as a
23 gas line to serve communities on route, and health
24 royalty payment is made to the Government of the
25 Northwest Territories for subsidization of fuel costs
26 in the areas not served by the line.

27 This is a resource which
28 belongs to the people of the North and these people
29 should gain considerable benefit by it, otherwise it
30 is not wanted or needed by the people of the Northwest

Fogg, Fergusson, Taylor
In Chief

Territories.

The history of exploitation in Northern Canada up to now is not a good one, and I'm hoping that with this project there will be a change in attitude. It would be refreshing to have the views of the people of the North listened to and acted upon in Ottawa.

Thank you, Mr. Berger, for this opportunity to speak to you on this subject.

Fogg, Fergusson, Taylor
In Chief

THE COMMISSIONER: Thank you,

Mr. Fergusson.

MR. SIGLER: Sir, perhaps while Mr. Fogg is up with this panel I could just ask him to comment the two papers that Mr. Stewart has prepared and was unable to read here. I won't ask Mr. Fogg to read the papers but perhaps I could ask him to capsulize the main points that Mayor Stewart wished to make before the inquiry.

THE COMMISSIONER: Of course

Mr. Fogg.

WITNESS FOGG: My name is Des Fogg I work as an administrative assistant for Don Stewart. He has asked that I apologize for him for not being present himself. He's out with M.C.P.C. and as you said they have more pressing problems which closed it down once.

I would like to say sir, that generally the people of Hay River, and I'm speaking on behalf of Mayor Stewart and the people of Hay River, generally agree with pipeline development. But they agree with it to the extent that there should be certain controls. One of the main controls that we feel is the imposition of a control which would stop unreasonable influx if a pipeline was built. By that I mean, Sir people who move into the North to an area which is without any doubt the one area that people will move into, it's the only area you can reach firstly, so we would like some control on that.

Now that is hard to impose

Fogg, Fergusson, Taylor
In Chief

1 I know, I realize that. The second thing Sir, that
2 perhaps influences the economy of not just Hay River,
3 but of all the people of the North is the decision on
4 the pipeline itself.

5 That decision delays the
6 availability of people to move freely to come and to go.
7 To establish a business, to know where they are going in
8 the future.

9 Thirdly, sir and now we are
10 really confounded because if a pipeline is built there
11 will be an influx and realizing that Mayor Stewart has
12 said if an influx occurs, Hay River will be overloaded.
13 We are then presented with the impossibility of finding
14 a third northern staging area.

15 What I'm saying here, sir is
16 that there is so much indecision, there is so much which
17 confuses people which live here without compounding it
18 by setting up a third area that even if a pipeline is
19 built that Hay River will suffer loss from --

20 MR. SIGLER: Are you referring
21 there to Axe Point proposal?

22 A Yes sir, I am. Has that
23 been tabled?

24 THE COMMISSIONER: Yes I
25 understand your point.

26 A Do you understand the
27 confusion, Sir? I wish I did.

28 THE COMMISSIONER: Well I
29 understand why people who have -- why you are concerned
30 about the decision both companies have made to make Axe

Fogg, Ferquesson, Taylor
In Chief

Point a principle staging area, I understand that.

A Do you understand our principle concern about indecision?

THE COMMISSIONER: Yes, I understand that too. It may come as a surprise to you but these things --I've heard these things expressed before.

A I'm not surprised. The third point Mayor Stewart has raised is on census. That affects us because the influx and I think I heard it expressed previously the --

THE COMMISSIONER: The third point is what census?

MR. SIGLER: Census -- the population count.

A The third point is census -- head count which we suffer from because of the transient position from within. The people come into the North we have to provide services for a population which is approximately one-third of what we have.

Our grants are given to us on the basis of the number of people that are counted in a census. An actual head count. Those people we have to provide services for or lack of services, one of the two. I think, sir in the event of any development it should be taken into account that there are places in the North which suffer, just plain suffer, from Southern thinking. That sudden counting of heads and that's white, native, anybody else. We can only provide services for so many people. I would ask sir, that you strongly urge

Fogg, Fergusson, Taylor
In Chief

1 that when an official census is taken that that census
2 be right as far as the services provided are concerned.

3 Count your services not your people. That is all we
4 can provide is service. I think I'm through, sir.

5 Do you have any questions?

6 MR. SIGLER: I think . . . Mr.

7 Fogg has mentioned the four papers that Mayor Stewart
8 did prepare have been filed and are exhibits. I think
9 with that, sir, the panel is available for cross-examin-
10 ation.

11 THE COMMISSIONER: Just one
12 question. What's the status of Mr. Lefebvre's paper?

13 MR. SIGLER: It's not going
14 to be presented and has not been filed as an exhibit.

15 THE COMMISSIONER: Ok, so I
16 should ignore it then.

17 WITNESS FERGUSSON: Mr. Berger,
18 are you referring to Mr. -- to the councillor, Le-
19 feuvre?

20 THE COMMISSIONER: Yes, I'm
21 sorry.

22 A On recreation? That
23 paper and his changes to it was given to me a few days
24 ago and I've incorporated some of his ideas in my paper
25 today. So I think that probably that if there is any-
26 thing further that Mr. Lefebvre wants to add to it he
27 could probably contact your Commission at a later date.

28 MR. SIGLER: The idea, sir
29 not filing the one that had been available earlier with
30 that.

THE COMMISSIONER: Right

MR. SIGLER: Councillor

Fergusson's paper did incorporate the recreation program and the concerns of the Town Counsel.

MR. SCOTT: Mr. MacLachlan, do you have any questions?

MR. MACLACHLAN: I don't have any questions right now. I wondered if possibly we could call Mr. Stewart back or alternatively send him written questions. This material, I believe, was given to us today.

MR. SIGLER: Mayor Stewart's paper was given out, I think, yesterday.

MR. SCOTT: Could I suggest that if Mr. MacLachlan develops any questions with respect to the Mayor's paper or, indeed, any others, he could send them to Mr. Sigler and their exchange of correspondence can be tabled as an exhibit.

MR. SIGLER: Yes, Mayor Stewart did indicate that he would be prepared to answer, in written form, any questions.

THE COMMISSIONER: OK, Mr. MacLachlan?

MR. MACLACHLAN: That's fine.

MR. SCOTT: Mr. Steeves?

MR. STEEVES: Are you going to let me deliver interrogatories. I have no questions.

MR. SCOTT: Do you want to reserve the right to present any?

MR. STEEVES: Yes, I would

1 if -- may I?

CROSS-EXAMINATION BY MR. SCOTT

2 MR. SCOTT: Mr. Fergusson or
3 Councillor Fergusson I just have two questions. The
4 first is, in your summary you've obviously set out a
5 number of figures that take account of projected population
6 in the event of pipeline. I wonder if you could tell us
7 whose projections you've used in determining population
8 increases that will occur in Hay River?

9 WITNESS FERGUSSON: The town
10 of Hay River for the past number of years has had in its
11 employ the firm of Stanley and Associates as town
12 engineers and planners, and Makale, Hollaway and Associates
13 who worked in conjunction to provide us with information
14 we require for both engineering works and projection of
15 possible increases of population and services required
16 for them.

17 Q I'm sorry, have they
18 made projection in the event of pipeline construction
19 for the town?

20 A Yes, they have. It's
21 included in the general plan. I believe that has been
22 tabled with the Commission.

Q And I take it it's their figures on which you rely in making these assessments.

A That's correct.

Q Well now, in the last page of your paper you refer to the desirability of some lead time in the event that the pipeline project proceeds. May I ask you this? Assume for the moment that there will be no capacity during the four-year pipeline project to engage in any other substantial municipal or other projects in the Territories, in other words you're going to have to be prepared before the project begins to meet the population that will exist when the project is completed. Bearing that in mind, how much lead time do you think the town needs from the certificate indicating that the project can go ahead and prior to construction?

A Well, I'd have to use my own personal view on that. Judging by the existing facilities that we have for transportation in the Town of Hay River, assuming that we have enough staging area, backup staging area, we could probably provide the rail linkage and roads and services we require for it within a one-year period. However, for our main population increase, we must provide them with serviced land, residential areas and so on, and we have to go into new areas over and above those which we have now. There is 150 lots in one section which we have available, plus 39 in another section. If we have to go into some new areas, it is a three-

Fogg, Ferqusson, Taylor
Cross-Exam by Scott

year time lag from the time we first make our decision until actual houses are built on the land because of the type of land that we have. We have to drain it and prepare it and drain it and get the proper financing through, etc. But I would think that as far as the actual -- getting the actual equipment down-river, I think probably about one year we could manage that.

Q But to get the municipal services and mechanisms in place in order to sustain the population growth that will occur at the end of the four-year project, I take it what you're telling me is you'll think you'll need about three years, and that's your own personal opinion?

A That's my personal opinion, right.

Q And those three years I presume include construction years, do they?

A Correct.

Q Yes.

A We would be able to cope with a lot of the initial construction because we do have in place serviced land available now. It depends on how we utilize that land. We may not even need the additional land space. It's all conjecture. When you start to look into the future, the longer and the further you look the harder it is to tell whether or not you're correct or not.

Q But you see what I'm directing your mind to, which is the possibility that

Fogg, Ferguson, Taylor
Cross-Exam by Scott

1 during the four-year construction period there may
2 not be any substantial capacity in the Territories
3 to do other normal construction such as house-building
4 and municipal service construction and so on. The
5 capacity simply may not be present, and therefore
6 that would have to be done first if it's going to
7 be done at all, either first or after but not during.

8 Do you follow me?

9 A Right.

10 Q And you think three
11 years would be adequate for Hay River?

12 A For residential areas,
13 yes.

14 MR. SCOTT: All right. Those
15 are all the questions I have, thank you very much,
16 gentlemen.

17 THE COMMISSIONER : Q Mr.
18 Taylor, you said that the population of Hay River
19 today is 4,660. What percentage of that population
20 would you categorize as transient?

21 WITNESS TAYLOR: Well,
22 depending on how finely you draw the line on "transients"
23 I would say about half.

24 Q O.K., and when you say
25 "half", where do you draw the line?

26 A We have a lot of people
27 who are generally classified as transients who come
28 in and they work there nine months of the year and
29 go back to Vancouver for three months, and they are
30 categorized as being Vancouver residents, although they

Fogg, Fergusson, Taylor
Cross-Exam by Scott

do spend nine months of the year, and many of them have been there for a number of years.

Q On transportation?

A On transportation work particularly, and then we have a fair turnover in other capacities, for instance government jobs. They come in and they are there for a year or two, and then they leave. They are living in a permanent residence but they're not exactly what you'd classify as a long-term or permanent resident. Now, the for instance apartment dwellings are now taking care of a fair number of that sort of person. We did a survey some years ago on length of residence on different people in town, and I'm just trying to recall the figures now, but I would say about 25% of the residents had been there ten years or more. Probably up to about 50% had been there up to five years or more.

THE COMMISSIONER: Thank you. It might be appropriate if I commented on the points that Mr. Fogg raised, and they were raised by councillors from Inuvik this morning too, some of them. This question which is so difficult to predict how many people are likely to come to the Northwest Territories if the pipeline project goes ahead?

Now, it may interest you to know that in Alaska before the oil pipeline was begun, they tried to predict how many people would come to Alaska to work or to look for work. The highest estimate was that 40,000 people would come, that's

Fogg, Fergusson, Taylor
Cross-Exam by Scott

approximately the population of the Northwest Territories. That was the highest estimate made by a witness that Arctic Gas called, Mr. Boorkman, who is an urban planner. Well, he was closest, he was out by about 100% because in 1974 and in 1975 80,000 people came to Alaska. There are about 25,000 people employed on the Alaska Pipeline, that is building it. No one seems to be able to tell us how many of those people are residents of Alaska, that is people who were there when it started. But maybe 10,000, so 15,000 people have come and are working on the pipeline. Now out of 80,000, that leaves an awful lot of people, perhaps somewhere in the region of 65,000, that are in Alaska and are not employed on the pipeline. Now we don't know how long they stay in Alaska, we don't know really what they -- whether they gain employment in Alaska, whether they are on the welfare rolls or not.

One of the interesting things is that with this huge pipeline project in Alaska, unemployment has gone up. The rate of unemployment is higher in Alaska now than it was before the pipeline project, so that gives you an idea that an awful lot of those 80,000 people must have come there and are presumably collecting unemployment insurance or welfare or nothing at all. I think you might be interested because it shows the difficulty that they had in Alaska in predicting how many people would come. Now we have tried to learn from their experience first of all in predicting how

Fogg, Fergusson, Taylor
Cross-Exam by Scott

many are likely to come, and bear in mind that in trying to figure out ways of persuading people not to come who were reasonably sure will be a burden on the local taxpayer and the local government when they get here. Now this is a free country and people are entitled to travel wherever they want whenever they want, and however they want. That means that the measures that this Inquiry can propose to the government to keep people south of the 60th Parallel are in a sense limited. You can use certain forms of persuasion; you can try certain incentives; you can locate hiring halls, as I think Mr. Roska suggested this morning, in Edmonton and other southern centres so far as hiring persons from outside are concerned but I ask you to bear in mind two problems:

1. is predicting how many will come, and we know what happened in Alaska;
2. figuring out ways that are consistent with the freedom we all enjoy in this country, figuring out ways of keeping people out.

(305)

Fogg, Fergusson, Taylor
Cross-Exam by Scott

A witness for Foothills

a month ago suggested that there simply be a fence erected on the 60th parallel. This was put figuratively but we know what she had in mind so that nobody could come. That's the first thing and I'm not asking you to comment. I just thought you might be interested in that.

The second thing is this business of making a decision about the pipeline. This Inquiry's hearings will be completed in two more weeks and this Inquiry's report will be in the hands of the government early in the new year. But the National Energy Board has to complete its work, has to complete its hearings, has to make its report and then the Government of Canada has to consider my report; they have to consider the Energy Board's report. Then they have to make up their minds so that you people -- I know, ever since I began this Inquiry-- have been saying well, doesn't somebody tell us what's going to happen. I just want you to know that I'm well aware of your problem but there are real limits to what I can do about them. All I can do is complete my work, make my report. Then it's up to the Government of Canada and they will of course, naturally wait for the Energy Board's report. This process which has taken some time already is going to take a little more time.

The procedure that the government established once set in motion has to be seen through to its conclusion. Of course, as far

Fogg, Fergusson, Taylor
Cross-Exam by Scott

as the National Energy Board is concerned, their procedure is laid down by statute, by parliament under the National Energy Board Act which was established under Mr. Diefenbaker's regime. These proposals have to go before the Board. There has to be a full hearing. They have to make a report to the Cabinet and the Cabinet has to decide. So it takes a little while. Anyway, I appreciate your coming and making these suggestions to me because we have to -- this Inquiry has to be in a position to make intelligent and useful recommendations to the government about the impact on municipalities if a pipeline is built. And you have certainly helped us to do that and I want to thank you and say that I took advantage of the chance to say something, Mr. Fogg, on the basis of the things that you raised because when you have been sitting listening for 18 months, you find once in a while you want to get into the act yourself.

WITNESS FOGG: May I thank you, sir, for your illustrative interpretation?

MR. SCOTT: Could I ask Mr. Fergusson a question I overlooked to ask?

THE COMMISSIONER: Yes.

MR. SCOTT:

Q Mr. Fergusson, you told us that the population projections that you utilized in the town are based on the Stanley Report. As I understand that report, that report predicts the number of jobs that will be created in Hay River as a result of the project and then calculate the number of job

Fogg, Fergusson, Taylor
Cross-Exam by Scott

openings there will be and the number of people per family head that will be attracted to fill those. Do I have the thing correctly?

WITNESS FERGUSSON: You could have, yes. I'm not familiar with that particular method.

Q What I'm concerned about is this that Hay River as one of you have noted is one of the few communities in the Northwest Territories that is connected by road to Edmonton?

THE COMMISSIONER: And the only one connected by rail, I think.

MR. SCOTT: Inuvik is getting closer everyday but or was anyway. But the problem of induced population increase that the Commissioner has referred to is of course therefore greater for Hay River than for any other community. Because people who don't get jobs at Edmonton may not want to fly to Good Hope or Inuvik but they can simply drive to Hay River. Have you had -- and of course, those people still come and stay in the town. Now, what I'm concerned about is have you been able to get any handle from any advisors on the numbers of people that might be provoked by that kind of scheme in order to plan for it because they are going to use your recreational facilities and your spare bedrooms and all the rest of it as well?

A Well, we do have, as Councillor Taylor pointed out, we do have a considerable number of people coming in -- transients --

Fogg, Fergusson, Taylor
Cross-Exam by Scott

now, and we're accustomed to this problem and it will just be enlarged in the event of pipeline development. What they're doing now is they stay in churches and private homes and they stay in different shacks down in the old town and so on, wherever they can stay and if they can get a job, they stay around. If they can't they leave. They come and go.

The Association of Municipalities, I understand, have studied the problems they had over in Alaska as a result of the pipeline development over there and I think that maybe if Mr. Reesor has some information on that, you could request him to answer that question but I think that as far as the Town of Hay River is concerned, it is one of those problems that we have got to have a lot of help on. We're going to need massive doses of capital and assistance from senior government in order to cope with this problem because it's going to be a big one.

A few years ago there was a lot of unemployment in the prairie provinces. Since then wheat harvest has been good and things have picked up quite a bit but I recall during that period of time, we had carloads of young men coming up into Hay River and just looking for jobs and of course being the end of the road pretty well, this is where they came to look and it was a problem for quite a while and now it is reduced but we went through that and the town survived it.

Fogg, Fergusson, Taylor
Cross-Exam by Scott

I think that if we do have the help we can cope with it. Without help, it's going to be a real problem.

Q Well, how do you deal with those problems? For example, if you had let us say, 100 people a day coming to Hay River over a period of months, I concede that a lot of them will turn around and go home but that's an awful lot of people for a town that size. How do you handle that? Building houses in the subdivision is no solution to that problem.

A Well, I suppose they come up there -- come up to town usually looking for opportunities of work and they have a limited budget and usually they'll have enough money to get themselves back out again if they haven't got any work so I imagine that's their problem then. If they obtain employment, I think that probably we could handle the problem of finding a place for them to stay.

At the present time, we do have a fair amount -- for the size of the community, we have a fair amount of accommodation available.

WITNESS TAYLOR: Can I just add to that? On the matter of these transients coming in without in a sense a formal place to stay, most of this involves summer work and we seem to have a good capacity to absorb quite a number of people in this way. They camp the beach and there's a fair

Fogg, Fergusson, Taylor
Cross-Exam by Scott

number of shacks -- you can call them shacks or cabins -- which are suitable for summer accommodation and they put up there for a night or two and if they can't get a job they leave, and someone else comes and takes their place. But it's never reared its head as a major problem in this municipality even though there have been times as Councillor Fergusson has mentioned when we have had a tremendous influx of people who think that there is a better chance of getting work in Hay River than there is on the prairies somewhere.

WITNESS FOGG: May I add

something to that? There's quite often an attitude in Hay River that is conducive to that kind of thing but you're not going to see anybody on the street. The north is the north and you appreciate people that come for some reason or other so you do absorb. But I would say in the event of an influx, if it became boring to you or it became obnoxious that you absorbed that Hay River would no longer be the north and its attitude would change towards those people that suddenly came in. I think this is the concern of the pipeline that you wouldn't be absorbing people that just travelled or you know, you pick people on the street and you say "Hi" and they say "I've got no place to stay" so you say "well, hell". The next thing you know they have got a place to stay. But if it became to be a regular habit, then things would be different.

Fogg, Fergusson, Taylor
Cross-Exam by Scott

THE COMMISSIONER: There is one other statistic that might interest you. When the Alaska Pipeline was proposed, the pipeline company said that 6,000 men would be required to build it. And in fact the crews during the three peak years of pipe laying, '74, '75 and '76 have come to 24,000 so that four times as many workers were needed on the pipeline as the company, the pipeline company had predicted. Now, that was one of the things that led the State of Alaska astray in trying to predict how many people would come into the state. But it didn't account entirely for it.

One of the interesting things is that this pipeline, if it is built, we are told will require 6,000 workers to build it north of sixty. It ties in exactly with the Alaska figures. So we have looked at Alaska closely to see why all their predictions went wrong and to see whether any of the reasons why they went wrong apply here in the Northwest Territories.

One last thing to bear in mind is that Alaska has about 350,000 people. It's a big place and that kind of influx has had an impact in Alaska. The Northwest Territories starts off with a much smaller population base so the influx even if it didn't reach anything like the proportions of the Alaskan influx could have a very real impact here. Well, anyway those are things that we have to wrestle with and after we leave the north and hand in our recommendations and if a pipeline is built, you will have to wrestle with.

Fogg, Fergusson, Taylor

WITNESS FOGG: Well, I hope
you come back and stay.

THE COMMISSIONER: Well, thank
you very much gentlemen. I think we'll adjourn for
a minute or two until you get your next panel up.

(WITNESSES ASIDE)

(PROCEEDINGS ADJOURNED FOR A FEW MINUTES)

(PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT)

MR. SIGLER: We're ready
sir. Now, that our--having dealt with this, just
finish our discussion on municipal planning and the
examples of the planning done by the three major
impact municipalities. They discussed, the more
general panel, our last panel, which is economic and
political development and we've already had Mr. Hill's
paper presented yesterday in this area. Today we have
before us Mr. Robertson once again who was with us
on another panel yesterday and Mayor Henne of Yellowknife.
Both witness's papers have been circulated. Mr.
Robertson's only this morning and I apologize for the
lateness in that. Both have been filed as exhibits
and both witnesses have been sworn in at an early
stage in the Inquiry.

Mayor Henne did come--was
before the Inquiry at the community hearings in
Yellowknife. Mr. Butter who was scheduled to be
the other member of this panel unfortunately could not
make it today but hopefully will be able to appear
at a later date before this Inquiry ends. Mr. Stewart's
paper has already been given. Mr. Lafferty will not

Henne, Robertson
In Chief

1 be presenting another paper.

2 DIRECT EXAMINATION BY MR. SIGLER:

3 Q So, then if I could turn to
4 you, Mr. Henne. Would you please introduce yourself
5 to the Inquiry and indicate your position with the
City of Yellowknife.

FRED W. HENNE, resumed:

JIM ROBERTSON, resumed:

WITNESS HENNE: My name is Fred Henne and I am Mayor of the City of Yellowknife. I've been a resident of Yellowknife for twenty-nine years and involved in business locally since 1949 or for about twenty-seven years.

I have been active in the Yellowknife Chamber of Commerce and I am immediate past President of that organization. I have been involved in local politics in Yellowknife since 1953 when I was Chairman of the Local Administrative District of Yellowknife.

In 1956 through 1957, I was Mayor of the Municipal District of Yellowknife. From 1968 through '69, Mayor of the Town of Yellowknife and from 1970 through '73, Mayor of the City of Yellowknife. After an absence from that position of two years, I've been Mayor again since January, 1976.

Q Thank you. Mr. Robertson, you're still the Mayor of Inuvik?

WITNESS ROBERTSON: Yes. When I left town I was.

Q Still President of the

Henne, Robertson
In Chief

Association?

A I presume so, yes.

That's correct.

Q Good to hear.

THE COMMISSIONER: Still
signing those cheques.

A Yes, still signing the
cheques and passing over the bills.

MR. STGLER: Mr. Henne, could
I ask you to read in your paper please.

WITNESS HENNE: Mr. Commissioner,
the City of Yellowknife supports development of the
Mackenzie Valley Pipeline. We feel that development
of the pipeline will benefit not only our community
but every nothern community as the pipeline will
stimulate further development.

If development of the
Mackenzie Valley Pipeline is held up, related
development will be postponed. Support and service
industries will not be increased. The business in
the North will stagnate. The City of Yellowknife
feels very strongly that business development in the
North must be supported because business provides the
opportunity for employment, provides a means of
earning a living. As the business community suffers,
so does the municipality.

The Town of Yellowknife was
prepared to cope with the problems of development that
we expected would be a result of moving the seat of
government to Yellowknife, because we expected that the

Henne, Robertson
In Chief

resulting benefit would outweigh the growing pains that we might experience. The community, along the route of the Mackenzie Valley Pipeline have similar feelings about development of the pipeline.

This submission is intended to illuminate, through the experience of Yellowknife, some of the problems that communities along the Mackenzie Valley Pipeline route might experience as a result of increased population during construction.

The Town of Yellowknife experienced an impact following a decision in 1967 to move the seat of the Territorial Government of Yellowknife and many of the same problems may be expected in other impacted communities. The problems created by a sudden increase in population are extremely varied in scope. They cover the entire range of areas dealt with by local government; from the physical aspect through social areas; from garbage disposal to day-care centers.

Probably the biggest impact on a municipality of a sudden population increase is in the area of finance. A population increase creates a greater demand for all services provided by municipal governments. I shall discuss several individual areas and give examples to show how the population increase affected Yellowknife.

In the area of general government, the administration of Yellowknife, a population increase meant more full-time staff was required to handle the increased demands placed on the

Henne, Robertson
In Chief

administration of the town. The cost of general government had increased 29% from 1965 through 1967 to a total cost of \$78,700.00. The next year, when the influx started in earnest, the cost jumped 68% to \$132,600.00.

Protection to persons and property cost \$31,000.00 in 1967. By 1969 the cost had jumped 95% to \$60,500.00. By 1970, it was up to \$81,700.00. Prior to 1969, there is no mention in the audited financial statement of costs for bylaw enforcement. The need for some form of bylaw enforcement was a direct result of the surge in population. Fire protection cost \$16,000.00 for 1965 and the cost has risen 20% by '67, but the next two years period, from '68 to 1970, during the real jump in population, the cost of fire protection increased by 176% to \$50,328.00. These obviously can be attributed to the population increase.

Increased population means increased demand for transportation services. Streets must be better maintained; more paving, dust control, snow and ice clearing and removal, sanding, sign maintenance, traffic lights and so on all cost money. Even if improvement of roads is not undertaken, increased use requires increased maintenance, just to maintain a road at a passable level. The cost of keeping the city clean and providing a healthy environment escalates with population. For 1965 the town budgeted \$4,300.00 for sanitation and waste removal. By 1970 the cost had risen to over \$102,000.00

Henne, Robertson
In Chief

or an increase of 230% in just five years.

Prior to 1968, there was no expenditure for public health shown in the audited financial statements of the Town of Yellowknife. During '69, the Town of Yellowknife spent \$15,800.00 for public health services. Again, an expenditure attributed to population increase.

Recreational services are, of course, greatly taxed by a sudden population increase. It appears to be the nature of man to not be happy when he has nothing to do. So, the shortening of the work week and the resultant increased leisure time, recreation has become more and more a necessity of life. It also appears to be largely the responsibility of municipal government to provide areas and programs for recreation.

The financial statements reflect the cost of providing for recreation. From 1967, when \$23,900.00 was spent on recreation, the cost rose by 315% to over \$99,000.00 in 1970. The unfortunate part of this is that while the costs for recreation and services increased as use increased, there was no way in which facilities could keep up with the demand and we are still lacking in this area. Our recreation facilities were planned for a community that expected it might grow to 5,000 people, and we have now more than double that figure.

I have shown, just in the area of services, that municipal government expects to provide, the tremendous financial impact of improving

Henne, Robertson
In Chief

services and providing more as population increases. The real crunch is trying to get the money to develop and provide the services. The debenture debt of Yellowknife indicated the problem. In 1965 the debenture debt was \$280,600.00, about 47% of total expenditures. By 1970, it had grown to \$1,400,000.00 which was 116% of total expenditures that year.

Henne, Robertson
In Chief

One aspect of this need for increased funds is that the increase in population is not at first accompanied by commercial or industrial development so that the burden falls on the individual ratepayer. Governments are slow to react to the increased need for funding, and the percentage of total budget cost provided by grants often decrease as the services of the municipality are subject to larger costs. In 1967 federal and territorial grants in lieu of taxes accounted for 37% of the total budget. In 1968 the percentage had dropped to 32½%, and by 1969 they provided slightly less than 30% of the total budget.

Housing also becomes a problem in an impacted community. In Yellowknife, for example, the financial statements starting in 1967 show two items of expense that are indicators of this problem. One for emergency housing, and the other for Hardie House, which provided transient accommodation.

The municipal level of government bears the real brunt of an increase in population, and this level of government is most responsive to demands because it is responsible to the citizens of the community.

The other levels of government must realize the effects on a municipality of a sudden population increase, and substantially increase their grants. Until municipalities are given a share of other revenues available to Federal and Territorial

Henne, Robertson
In Chief

Governments, they must rely on the property tax which inevitably places a great burden on individuals, especially those already living in the community who do not greatly benefit from the bigger or higher wages paid imported labor.

Municipalities must be given a share of the royalties that other levels of government realize. Municipal Government cannot be expected to function adequately and provide the level of services demanded without a better deal in funding. The people of the north and their local government have a right to share in the revenue from these resources that may be exploited in the north.

I'd like to continue a bit in the area of the responsibility of Municipal Government and in particular with the whole question at hand. It is our considered opinion that the country is here for the people. The country is here for the people to live in, to enjoy, and to exploit for their use and their benefit. Of course, in so doing the question of transportation has always been tantamount. In the early days in the early stages transportation was by water. Transportation has improved from that period of time to highways, to railroads, to aircraft, and today we're looking at another form of transportation, pipelines. Basically the transportation routes which run on the ground, such as highways, railroads, and pipelines are identical. In our opinion, those transportation

Henne, Robertson
In Chief

systems whichever one you choose, is no worse or no better than the next as far as having impact on the ecology, the life of wildlife, the life of birds or whatever you may want to experience. We've seen what highways have done and we find that highways have not caused any problem. We've seen what railroads have done and railways haven't caused any problem. We know that we've had the experience -- I mentioned this before at an early hearing -- the impact of the Canol Pipeline, and there is no real evidence of any damage by the Canol Pipeline. I think that when you look at, or when we look at the question of transportation for the people, we have to look at pipeline as being a form of transportation for the necessity of exploiting the wealth of the country to the benefit of the people of the country and to the benefit of the people of Canada. So that's the way we look upon it because without people, the country is nothing. You can have all this 1,300,000 square miles. Without people, what does it mean? It doesn't do anything for anybody. People make it happen, and for people to make it happen people require transportation. in one form or another.

So we hold very strongly that this form of transportation is in this time in history a necessity, an absolute necessity which we support, it's going to support additional life, it's going to support additional pleasure, it's going to support additional recreation value and enhance the overall being of our people throughout the whole

Henne, Robertson
In Chief

of the country. I think we have to look at it in that light, and that is, I think, the main thrust of our consideration today. What it will do for the people, and really and truly what will it do? In our opinion it will do nothing but good.

Q Thank you, Mayor

Henne. Mr. Robertson?

WITNESS ROBERTSON: Mr.

Commissioner, this paper which I am about to read to you is designed to point out some areas of concern associated with a moratorium on resource development particularly.

Economic development programs and planning, jointly were a responsibility of the regional offices of the Northern Administration Branch of the Federal Government in the early 1960s, along with the more mundane administrative responsibilities of social welfare, education, and community development programs. Even then the problems associated with a rapidly increasing population and its attendant manifestations -- urbanization -- were discernible.

Economist John R. Wolforth, a research participant in the Mackenzie Delta research program wrote a paper (MDRP-1) based on research done in 1965 just prior to discovery of Prudhoe Bay resources, and the paper was entitled:

"The Mackenzie Delta, its Economic Base and Development."

Mr. Wolforth concluded his report recommending as follows:

Henne, Robertson
In Chief

"1. Goals related to a fully integrated and self-sufficient economic growth as advocated by the Economic Council -- this was the Economic Council of Canada reported in 1965. It should be recognized from the outset that the economic base of the region as it is known at present is probably insufficient to support growth of this kind. Few resources exist in the region which would generate capital sufficient for the stimulation of new economic activity.

2. Goals related to population movement. Given the slim resource base, out-migration might be encouraged as a long-term policy. Since this is a policy which has been advocated fairly recently -- this was the Diamond Jenness report, 1964 -- it may be worth examining in more detail. Essentially a policy of this kind would depend on

- (a) an educational program which would prepare young people for easy assimilation into the wider Canadian community;
- (b) the reduction of the influence of geographic barriers in the form of reduced air fares in order to encourage more frequent contact with the outside; and
- (c) an adult training program related to the employment needs of Canada as a whole rather than those of the north."

The Carrothers Commission

Henne, Robertson
In Chief

established by Federal order-in-council in November of 1965 reflected similar concerns relating to the economic future of all of the N.W.T. in its report of 1966.

The report in its postulates section stipulated:

"Every resident of the Northwest Territories for whom freedom of movement within and without the Territories is not a realistic fact has a claim to economic opportunity that will provide a standard of living that does not deviate substantially from the Canadian norm.

So long as the Northwest Territories remains a political unit or units separate from the provinces, the Federal Government has a major, although not necessarily an exclusive, responsibility for its economic development. "

The report prefaced its recommendation for the establishment of a Department of Economic Development within the Territorial Government as follows:

"The characteristics of the Northwest Territories which has concerned your commissioners at least as much as the form of government is the state of economic development for the residents of the north."

Over the past decade we as an Association have maintained an interest in the state of economic development occurring in the Northwest Territories and have noted with concern the

Henne, Robertson
In Chief

1 growing imbalance between our population and the
2 resource base of the Territories.

3 Between 1975 and 1978 there
4 will be, according to 1975 Department of Education
5 figures, 2,224 High School graduates. It is reasonable
6 to assume that these graduates will become part of the
7 labor market.

8 As part of their responsi-
9 bilities, the senior levels of government and the
10 Association must address themselves to a worsening
11 of the imbalance referred to above because of
12 the possible discontinuation of resource development.

Henne, Robertson
In Chief

As noted above, Mr. Wolforth was unable to foresee any opportunities for permanent ongoing employment for these school graduates. Trapping has, in our opinion, limited applicability to the High School graduates and certainly offers no long-term solution with the increasing population.

We foresee that particularly in the Western Arctic where very few alternates to resource development exist, there would be no alternative to outward migration. Education has prepared people, rightly or wrongly, over the past 15 years to take part in the mainstream of Canadian society. While this may or may not be altered in subsequent years, nonetheless, it leaves a very large portion of the population who will be partially or fully dependent on a wage economy.

It would be a conservative estimate that 50% of the present local work force in the Mackenzie Delta is working directly or indirectly as a result of resource development.

In the event that there is no continuation of the resource development it is probable that the municipalities in the valley will see an erosion of what is at present a very thin tax base. This decreased tax base can be expected to have as much or more adverse social impact than that predicted as a result of construction of the proposed pipeline.

This would come about primarily from a combination of increased local

29-12
Henne, Robertson
In Chief

1 population combined with a decrease in money available
2 to adequately provide, among other things, recreation
3 and cultural facilities, the majority of youth clubs,
4 including Boy Scouts, Girl Guides, etc. could expect
5 a severe cutback as a result of outward migration of
6 those capable of leading such activities. It would
7 be reasonable to expect a dropoff in government
8 services in direct relationship to the amount of
9 activity the government presently services. More
10 importantly and perhaps devastatingly would be the
11 effect in communities serviced by N.C.P.C., N.T.C.L.,
12 and other Crown corporations who, having expended
13 monies in preparation for anticipated growth, would
14 find themselves having to recover their capital cost
15 and operation and maintenance costs from a much
16 thinner market. Subsequent and necessary increases
17 in rates would further erode the population base and
18 in effect place those least able and unable to
19 leave, for one reason or another, to pay off costs
20 incurred for providing capacity which would suddenly
21 be far in excess of their needs.

22 In addition, the education
23 policy of the Government of the Northwest Territories
24 by
would/necessity have to be reoriented to reflect the
25 anticipated change in available occupations for those
26 remaining in the N.W.T.

27 This reorientation together
28 with the increased cost of services in smaller
29 centres would inevitably lead to further centralization
30 of decision-making, probably based in Yellowknife.

Henne, Robertson
In Chief

Without prospects of growth, capable persons in all areas of expertise together with many dedicated civil servants would again invariably have no option but to pursue their careers in geographic areas where personal fulfillment and family advancement could be obtained.

While many families, especially in the smaller communities, could continue to provide for themselves with an existence from the land, it is doubtful that many would freely elect to live off the land on a full-time basis for an indefinite period of time.

The Association recognizes that there are alternates to hydrocarbon resource development available in the areas south of the Mackenzie Delta and would recommend that even with the continued resource development government and other agencies be encouraged to investigate and pursue these alternate opportunities for employment.

Mr. Commissioner, the foregoing ideas are placed before you not to assume a disaster if resource development is discontinued, but to illustrate what the Association perceives to be some serious problem areas arising as a result of an indefinite moratorium on resource development.

MR. SIGLER: Thank you,
Mayor Robertson.

(QUALIFICATIONS & EVIDENCE OF D. TAYLOR
MARKED EXHIBIT 814)

(EVIDENCE OF D. FERGUSSON MARKED EXHIBIT 815)

10/14
Henne, Robertson

In Chief

Cross-Exam by Scott

(EVIDENCE OF MAYOR D.M. STEWART MARKED EXHIBIT

816)

(NORTHERN STAGING AREA MARKED EXHIBIT 817)

(ASSESSMENT OF ENVIRONMENTAL PROTECTION ACTIVITIES
ON MACKENZIE VALLEY PROJECT MARKED EXHIBIT 818)

(QUALIFICATIONS & EVIDENCE OF F. HENNE MARKED
EXHIBIT 819)

(EVIDENCE OF J. ROBERTSON MARKED EXHIBIT 820)

MR. SCOTT: Mr. MacLachlan?

MR. MACLACHLAN: No questions.

MR. SCOTT: Mr. Ziskrout?

MR. ZISKROUT: No questions.

CROSS-EXAMINATION BY MR. SCOTT:

Q Can I put to you two gentlemen a question that has been put at the Inquiry by other participants and their witnesses from time to time? We've tended to concentrate on the difficulties that will arise in the event that a four-year construction project of this type is commenced. I would rather look at it the other way around and see what you gentlemen see as the benefits that will be derived if this four-year construction project is commenced and completed. What are the benefits, not to the people of Southern Canada? I'm one of them and I understand what the benefits of getting gas into my home is; but what are the benefits for the people -- for the existing population of the Northwest Territories? Because it seems to me that in approaching this problem you obviously weigh the

Henne, Robertson
Cross-Exam by Scott

disadvantages against the advantages and I'd like to have your judgment as to what the advantages to the existing population of this construction project are.

WITNESS HENNE: Well, I think what we've said is that we want to see development take place because it will provide an opportunity for people to earn a livelihood, to have a good livelihood, and we want to see that opportunity be as equal as the livelihood that people could earn say south of 60.

In my submission I have endeavored to point out some of the problems that arise in a municipality when we see an increase or an influx of people, and we have handled that situation. The one point I make out of the whole situation is that municipal governments who are the creatures basically of Territorial or Provincial Governments, have a very limited avenue of funding, and that if we are going to have a pipeline, that we want to see, we then feel that we should share in the benefits which will come from the revenue produced by that pipeline, and we have no assurance that's going to happen so we're saying that because we're going to be faced at the front of the whole deal with an increase in population, with increase in services, we think that senior levels of government must recognize this and must provide us with the kind of funding which is necessary for a municipality to be able to function.

Henne, Robertson
Cross-Exam by Scott

Down the road, of course, the increase in business to the people that will be part of the territory or part of the community will, as we catch up, start to take care of the expenses just as we are doing today, and we think that the benefits that we will derive is that we can have a far more amenable community, we can have better housing, we can have better roads, we can have better entertainment facilities for those of us that live in this area, because that resource will provide funds and we think that we're entitled to a share of it and that is what we're looking for.

Q Then, Mayor Henne, you have listed,

"employment opportunities that the project will produce; tax revenues of some type," that you hope to get as a result of the existence of the pipeline, and

"increase in business," by which I take it you mean that the pipeline companies will make purchases in the Territories and will thereby either encourage existing businesses or lead to the development of new ones. Have I got that right?

A That's right.

Q All right. Mayor Robertson, do you want to expand on that list or add to it?

WITNESS ROBERTSON: Well, I would agree with Mr. Henne that these are certainly three very important areas. But as you point out,

Henne, Robertson
Cross-Exam by Scott

the benefit to use gas in your home in Toronto or Ottawa, the same benefit applies up here. But more importantly and from a broader point of view, is that this particular project at this particular point in time in the Territorial development probably gives the Northwest Territories the first real opportunity to become self-sufficient in a political and economic sense within the framework of Canada. Until now, as you are aware, the Territories has relied almost solely on monies derived from Ottawa and in many instances programmed by Ottawa, identifying what uses it could be put to by Ottawa, and I suggest to you that from a development such as this, provided there are enough safeguards built into it to ensure the people can continue to live in a manner in which they wish, and provided that adequate safeguards are put on to see that construction can take place without undue disruption to the people living both in the communities and in the bush, that the overall result of it could be the beginnings of particularly the western side of the Mackenzie moving towards provincial status, or a quasi-provincial status. That, I think, is the single most important thing about the whole project, is that it is a means to get out from under this thumb of the Canadian taxpayer's jaw and out of his back pocket.

There is also, of course, as Mayor Henne has pointed out, the possibility of Territorial-wide taxation on the facilities we put in. This is an area that is outside of municipal

Henne, Robertson
Cross-Exam by Scott

responsibility.

Q Well, Mayor Robertson, you've added to the list, use of gas by residents of the Territory and political and economic self-sufficiency, and I take it that it's pretty clear that political self-sufficiency depends on economic self-sufficiency, in your mind. You don't get the first without having got the latter.

Henne, Robertson
Cross-Exam by Scott

A Well, no. I wouldn't necessarily say that. There is areas in Canada which are politically independent but economically still not independent.

THE COMMISSIONER: Seven provinces out of ten?

A Seven provinces out of ten, yes.

MR. SCOTT: Well, let me put it less high then. You think a faster way to political self-sufficiency is to achieve economic self-sufficiency?

A No, I suggest to you sir that political self-sufficiency with pride is being independent economically.

Q Okay. And do I understand that economic self-sufficiency is really a division of taxing the resource? That's how you're going to get economic self-sufficiency.

A That is one means towards getting it but the resources have been fined out innumerable times before this Inquiry. Under the Canadian Constitution, if this was to become a province, would be long and be vested in the people who are living in this particular province.

Q The thing that troubles me is that in most other communities, economic self-sufficiency depends ultimately on the development of secondary industry or some long-term project that is not based on simple exit of resources. Do you see

Henne, Robertson
Cross-Exam by Scott

any prospect for that in the Northwest Territories?

A Not without the primary resource and I would argue with you that Alberta, until very recently, in fact even at this point in time is still in a particular economic status and solely through the extraction of its resources and resale of those.

Q Yes. But you're conscious of the problems that Albertans are confronting, having or being in the course of disposing of most of their resources; they find that they're in a province where those are being exhausted and no secondary industry is developed apart from agriculture and ranching?

A Again, I would suggest that the Government in Alberta has moved towards placing in various areas throughout the province the beginnings of second industry and as I've pointed out in this paper, the main point the Association wishes to make is that over the last four years in the Northwest Territories the sole trust of government and every other agency has been towards resource extraction and we're trying to point out that there are other areas that we think should be looked at along with that of resource extraction.

Q Well, could we deal with that? If you agree with me that in addition to resource extraction, in the long run one must look to what other industries of a secondary nature can be developed. What are those? What are the things you have in mind when you say that those are available?

Henne, Robertson
Cross-Exam by Scott

A The particular one that would come to mind would be the Liard Valley which I understand is one of the most fertile valleys and timber anywhere in Canada. As I pointed out, I do not believe and apparently this was the case in 1965, that within the Mackenzie Delta Region, that is anything north of Fort Good Hope, there does not appear to be any other viable alternate to resource extraction.

THE COMMISSIONER: You say no agriculture or forestry project makes very much sense north of Fort Good Hope?

A That is what I think Mr. Wolforth determined, yes. Agriculture certainly is another possibility in the southern Mackenzie. I presume fishing in Great Slave Lake seems to be quite viable at certain times when the price is correct.

MR. SCOTT: Well, we had a witness at the Inquiry a couple of weeks ago and I'm embarrassed to say I've forgotten his name but he'd an employee of the--

A Mr. Jamieson, I believe.

Q It may have been Mr. Jamieson who indicated that in his view the long-term economic stability of the Northwest Territories depended on the development of secondary or as he called it, non--as he called it renewable resource industry and he referred to everything from fish packing plants to pack Arctic char for sale in the markets of the world to a whole lot of other things.

Henne, Robertson
Cross-Exam by Scott

What do you think about that?

A I would agree with him one hundred percent.

THE COMMISSIONER: That was Mr. Currie.

MR. SCOTT: Mr. Currie and somebody else who had been the Chairman of a Labrador Commission.

THE COMMISSIONER: Mr. Snowden.

MR. SCOTT: Mr. Snowden.

THE COMMISSIONER: Who was this Mr. Jamieson?

MR. SCOTT: I got mixed up. He was the gentleman apparently that appeared at the hearings when they first started that also brought that point up, from U. B. C.

THE COMMISSIONER: Oh, Doctor Stewart Jamieson, yes.

MR. SCOTT: That's right.

THE COMMISSIONER: That was back in March, '75.

MR. SCOTT: What would you propose in order to get started on a plan to develop this kind of industry in the Northwest Territories? How do we get at that?

A Well, initially, provide the economic base to retain the population that are coming out of your schools which initially would be in the extraction of the resources available in the

Henne, Robertson
Cross-Exam by Scott

country. I would parallel that with having the Department of Economic Development in conjunction with industry and look into the possibilities of secondary industries. You know, offhand there may be a dozen that can be used but it's finding industries that are labour intensive and this, I understand, is Alberta's problem.

Q So, you see the extraction of resources, looking at it entirely from the Territories' point of view and not from the point of view of Southern Canada or the United States; you see the extraction of industries as a step on the way to development of other industries, rather than as a blind alley which doesn't lead to the development of other industries?

A That is correct. That is exactly the way I perceive it.

Q And just again, why is that? Why do you see it as a step in that direction?

A Because generally speaking, extraction of resources, as I understand it, does not provide that much in the way of ongoing employment. After the whole operation is in place, it does give you relatively inexpensive feed stock for secondary industry and also gives you the economic base available within the Territories from which to go into secondary industry, which normally requires a fair hunk of investment.

Q Well, what rather troubles me is I see that the secondary industry requires some

Henne, Robertson
Cross-Exam by Scott

substantial capital investment and the existence of skills and so on. I don't make the connection. I don't see how the construction of a pipeline and the extraction of gas is going to provide either of those things. How is it going to provide capital to the Northwest Territories' citizens for the purposes of developing their own secondary industry?

A Well, I'm assuming that the Northwest Territories Government is going to get a share of the royalties and I'm assuming that the pipeline and its auxiliary facilities will be taxable. I think the figure mentioned by Mr. Nickerson was something in the neighbourhood of fifty million dollars a year and that's a lot of money to divide between the thin population we have up here and even if you double the population, it's still a lot of discretionary money to have.

THE COMMISSIONER: Yes, but consider this for a moment, Mr. Robertson. That is public money in the hands of the Territorial Government. The Carrothers Commission recommended the establishment of an economic development corporation, one of their recommendations that the Federal Government rejected, but the Carrothers Commission seemed to contemplate a very important role for public enterprise, so to speak, and loans from such corporations to private entrepreneurs to develop industry in the Northwest Territories.

What I'm wondering is, what's your idea? There's fifty million a year that you get

Henne, Robertson
Cross-Exam by Scott

for the pipeline. It's public money in the hands of the Northwest Territories government. How do you convert that into secondary industry? Normally secondary industry is because some private company, like the C. P. R. or somebody with a lot of money comes in and says okay, we're going to build a petrochemical plant or we're going to do this or we're going to do that.

I'm not pinning you to the wall on this but--

MR. SIGLER: Sir, if I could just--I believe it was Mr. Scott in his question who got into the subject to secondary industries. I believe Mr. Robertson's evidence was talking of alternate undertakings or developments other than resource--than non-renewable resources. So, I don't think Mr. Robertson's evidence was talking exclusively of secondary industry.

THE COMMISSIONER: Well, Mr. Robertson spoke of--if Mr. Robertson doesn't want to comment on this, he doesn't have to. But he spoke of feed stock which assumes petrochemical--

A No, if you take the Federal scene where the money is going to the Federal Government, I'll just give you three examples of the Federal Business Development Bank, which gives money out to private industry and also to quasi Crown corporations. You have the Heritage Fund in Alberta where a percentage of the resource revenue is going into funds which is then being dispensed or

Henne, Robertson
Cross-Exam by Scott

invested in secondary industry and you have the Alberta Gas Trunk Line which I believe are involved with Foothills whose shares are solely owned by the residents of Alberta and controlled indirectly albeit by the Alberta Government.

So, there's mechanisms to get the fifty million--we're using fifty million as a figure back into secondary industry base.

Q Yes, I think you're right. A. G. T. L. was more or less invented by the Alberta Government.

A Right, for that very reason, as I understand it.

WITNESS HENNE: I think though on this matter of secondary industry that there is also another primary consideration and I think we must appreciate the fact that one of the main impacts in the North, in the opening up of the North, has been the exploration and development of mineral resources. Mineral resources have resulted in bringing quite a number of people into the Northwest Territories, particularly the Mackenzie area and other parts and there are mineral resources throughout the whole of the Pre-Cambrian Shield which is a large part of the Northwest Territories.

I think that if this resource, which is a non-renewable resource, brought in a lot of people, the extraction of the liquid resource or gas resource is also going to do that and what the net result will be that we're going to have an increase in

Henne, Robertson
Cross-Exam by Scott

people. We're going to have an increase in industry while that is ongoing and then because of the extra increase in people, we're going to have the spread out of people who are naturally going to go and try and develop something in the way of agriculture, people who are going to go into the fishing business, people who are going to go into lumbering business and we will find that we will start to develop the country in a different level and that's the history of the world.

You know, this really is the history of the world. Something has to spark it. In the initial stages, what sparked the Territories and the Yukon was minerals. Now, while that still exists, we have an additional source of industry and that is the liquid or the hydrocarbon industry and that's going to spark some more. The natural growth of that is going to develop in itself, because no country is going to develop without people. We have to bring more people in. It's going to bring more people in. Secondary industries will develop on small scales, just like the Peace River country.

The Peace River country didn't develop. It was all bush. It was nothing but bush. Today you drive that highway, you see farmland, acre after acre after acre of new farmland that's been developed in that country because that's the natural area for to develop in. We have that same opportunity here. A large part of the Mackenzie Valley has that same opportunity. We know for a fact

Henne, Robertson
Cross-Exam by Scott

that the Federal Government in Fort Simpson for many, many years had an experimental farm which they proved conclusively that grains, vegetables and everything can be grown and people are going to naturally migrate to those secondary industries once something gets us started.

Henne, Robertson
Cross-Exam by Scott

MR. SCOTT: Well, the problem that confronts me can be exhibited by looking at something I know something about is northern Ontario and which has great natural resources and people were attracted there to the extractive industries and a lot of people went in. Then the extractive industries either dried up or the price became uneconomic for the sale and there were a lot of people up there and they were people fundamentally without anything to do because there weren't any replacement industries. Now, I think I see Mr. Robertson's way around this which is to -- if I have it correctly -- which is to tax heavily and build up an exchequer that you can utilize to fund secondary or other industries. But is there any other solution?

THE COMMISSIONER: You could use that money to buy P.W.A. and make Yellowknife its head office.

A I think one of the most important things that Mr. Robertson said and certainly I concur in in that is that this is just another step towards self-determination, towards responsible government in the Northwest Territories provincial status and that is in my opinion the only real answer to the problems that we're faced with in the north. That is that we have to and must acquire provincial ^{(Status /will} before we ever settle the questions. Even the land claims will not properly be settled until that is done.

I don't think it's

Henne, Robertson
Cross-Exam by Scott

fair to compare northern Ontario with the Northwest Territories per se because northern Ontario is all precambrian shield. We are only partially precambrian shield. We have a large fertile valley in the Mackenzie Valley which is a different situation than just northern Ontario like Timmins and places like that. There's a lot of barrens in that area too. Mind you, we have them as well but we still have an opportunity of a large, large area for agriculture, for lumbering and fishing.

MR. SCOTT: Those are all the questions I have. Thank you, Mr. Commissioner. Thank you, Mr. Robertson and Mr. Henne.

THE COMMISSIONER: Just one thing, some of the things you have said go beyond the terms of reference of this Inquiry but they're interesting and worth pursuing.

The Federal Government when they created the Province of Manitoba in 1870 withheld the natural resources from the province. When they created Alberta and Saskatchewan in 1905, they withheld the natural resources and that they didn't turn the natural resources over to those three prairie provinces until 1930. It may be that /government you can achieve responsible in the full sense without that whole evolution being dependent upon the wealth that is generated by nonrenewable resources in particular. I'm only saying that the provinces that have actually been carved out of what has been the Northwest Territories, the three provinces that have

Henne, Robertson

been created out of the Northwest Territories since Confederation, they didn't give them the natural resources. I know that that's a precedent you would like to avoid but there it is. It's an interesting anomaly.

WITNESS ROBERTSON: I don't know that the Northwest Territories would necessarily have to have 100% of its resources. If you are looking at what has been found to date in the delta-- 7 trillion cubic feet of gas at a dollar a cubic foot. That's \$7 billion. That's a lot of dollars to divide among the 20,000 people that are in the western part of the Territories.

So I think that perhaps if a timetable were given whereby percentages of these resources were given to the people. There's no sense giving anybody a dollar unless you teach them the value of it. At least this is my own opinion.

Q Well, you're saying the more you find, the less likely it is the Federal Government will --

A That is correct but I think even when you're talking in the magnitude of dollars that we're dealing with that a percentage of those is equivalent to more than most of the provinces in Canada could ever wish for.

THE COMMISSIONER: Right. Well, thank you, Mr. Henne. Thank you, Mr. Robertson. Let me say I appreciate, Mr. Robertson, your having put the case against a moratorium as succinctly as you did

Henne, Robertson

in your paper and Mr. Henne has put the case for development as it was put, I suppose, by Arctic Gas, when they first proposed the pipeline. So it is the proposal for a moratorium that has arisen since and you have sought to answer that and I think it's fitting that we have seen the case in broad outline compressed for and against in one afternoon. That is, we got the "for" and we didn't get the "against" and we got the reply of the "against". But anyway --

MR. SICLER: Something like that.

THE COMMISSIONER: Something like that. I know what I'm talking about even if nobody else does.

(WITNESSES ASIDE)

MR. SCOTT: Mr. Commissioner, since we're finished now, could we adjourn until 9:00 tomorrow morning when the transportation panel will be ready to give evidence?

THE COMMISSIONER: Okay. 9:00.

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347
M835
Vol. 190

Mackenzie Valley pipeline inquiry:
September 23, 1976 Yellowknife

347
M835
Vol. 190

3 1761 11468687 6

